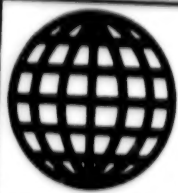


JPRS-NEA-89-043  
23 JUNE 1989



**FOREIGN  
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# ***JPRS Report***

## **Near East & South Asia**

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# Near East & South Asia

JPRS-NEA-89-043

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23 JUNE 1989

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## REGIONAL AFFAIRS

### Gulf Trade With EC Reported

44040401B Muscat 'UMAN in Arabic 21 Mar 89 p 11

[Text] Trade in 1987 between Gulf Cooperation Council [GCC] states and countries of the European Community (EC) amounted to some 23.4 billion European Currency Units [ECU], the EC unit of trade, or \$28.3 billion. This is a drop of some 14 percent from 1986.

The volume of trade between countries of the GCC and the EC shrank for the fifth year in a row from its 1982 record high of some 55.2 billion ECU (\$76.0 billion), retreating to less than half of that in 1987. The greatest shrinkage, at the rate of 20 percent, occurred in both of 1983 and 1987.

Saudi Arabia, with 57 percent of total trade, was the EC's largest GCC trading partner followed by Kuwait (17 percent), the UAE [United Arab Emirates] (16 percent), Oman (57 percent [as published]), Qatar (3 percent), and Bahrain (2 percent). This ranking, with slight variations in percentages, has remained the same over the previous three years.

GCC imports from the EC were calculated at about 13.2 billion ECU in 1987, a 10 percent decline from 14.8 billion ECU in 1986.

The volume of imports has been steadily shrinking, declining by 17 percent in 1985 and by 22 percent in 1986. Imports steadily rose early in the eighties but peaked in 1984 at about 22.8 billion ECU. Expansion was highest in 1982 at 75 percent.

The Arab-German Chamber of Commerce and Industry said in a recent study that Saudi Arabia was the EC's largest Gulf customer with 59 percent of total GCC purchases in 1987. That percentage has varied in the eighties from 55 percent in 1985 to 67 percent in 1981. Saudi imports from the EC have been escalating since 1980 when they reached about 7.2 billion and peaked at around 14 billion in 1983 but have been steadily shrinking since.

The UAE was the second largest EC customer with 18 percent of total GCC imports from the EC. It has maintained that ranking from 1979 to 1987, with the exception of 1984 when Kuwait was second with imports of 3.25 billion ECU. UAE imports totalled 3.5 billion [as published] that year.

Kuwait, with about 11 percent of total GCC imports from the EC in 1987, ranked third from 1979 to 1987 with the exception of 1984.

Bahrain, Qatar, and the Sultanate of Oman have the lowest share of 1987 GCC imports from the EC with 2.9 percent, 3.1 percent, and 7.2 percent respectively.

Britain and the FRG were the largest EC exporters to GCC states.

Britain ranked first with exports valued at 4.59 billion ECU or 35 percent of all GCC imports from the EC.

West Germany ranked second with 20 percent, followed by Italy, 15 percent, and France, 13 percent. Those countries accounted for nearly 82 percent of total EC exports to GCC states. Eight other European countries share the remaining 17 percent.

GCC imports of European transport equipment were valued at some 3.9 billion ECU or nearly 29.3 percent of total GCC imports from the EC during the year.

GCC chemical imports from Europe ranked second highest at 12.3 percent of total GCC European imports, mainly from Britain, Germany, and France; followed by commodities at 7.1 percent imported mainly from Germany, Italy, and Britain; then by optical and other industrial goods at 6.7 percent, imported mainly from Italy, Britain, and Germany.

GCC exports to the EC, at 10,119 million ECU (\$12.2 billion), declined by 18.4 percent from 12,396 million ECU (\$15 billion) in 1986.

Saudi exports to the EC in 1987 totalled 5,622 million ECU or about 55.6 percent of total GCC exports to the EC during the year.

Saudi exports to Europe in the eighties peaked in 1981 at 32,795 million ECU, retreated by 21 percent in 1982 to 26,25 million ECU, then by almost 50 percent in 1983. That was the largest decline in Saudi exports to Europe in the eighties.

Kuwait ranked second in volume of European exports in 1987, with an increase of 9.3 percent. Exports also rose in the same year by 82.7 percent from the UAE, by about 48.7 percent from Oman, and by 1 percent from Bahrain.

Fuel is the major GCC export to the EC, followed by chemicals to a certain degree. In 1987, fuel accounted for about 88 percent and chemicals for only 4 percent of all GCC exports to the EC. Other commodities accounted for the remaining 8 percent. This indicates the extent to which oil dominates GCC exports to European countries.

GCC members, with European trade valued at about 23.4 billion ECU, were the EC's sixth ranking trading partner in 1987 after the United States (128.1 billion), Switzerland (59.5 billion), Japan (48.4 billion), Sweden (40.3 billion), and Austria (35.5 billion).

GCC countries rank sixth in total trade volume with the EC, as an export market for EC countries, and as a source of EC imports as well.

The European Community had the largest trade surplus with the United States (15.7 billion) and the largest deficit with Japan (21.2 billion). The EC had a surplus of 3.2 million in trade with GCC countries in 1987.

Others ranking after the GCC as EC trading partners are the Soviet union in seventh place (22.3 billion) followed by Norway (31.7 billion [as published]), Canada (15.9 billion), and Finland (14.9 billion).

### **Iranian Describes PFLP-GC Role in Pan Am Bombing**

44040432 London AL-DUSTUR in Arabic  
22 May 89 pp 15-17

[Article by 'Ali Nuri Zadeh]

[Text] The explosion of the American Pan Am passenger plane over Lockerbie, Scotland continues to be shrouded in mystery, especially in view of the diversity of western accounts of the crash investigation results. Who, exactly, is behind the incident? Dr 'Ali Nuri Zadeh presents the following detailed account of those who were involved. The preparation of this account lasted five months and is based on an exclusive report prepared by a cleric close to Ayatollah Montazeri, who, until recently, was the recognized successor of Ayatollah Khomeyni.

**Tehran: 8 July 1988**

It is almost 8:00 a.m. The Mehrabad International Airport is crowded with passengers who arrived in Tehran about ten minutes ago aboard an Iranian plane originating in London.

In one of the corners of the airport, where influential guests visiting Iran are usually received unofficially, one can observe three interior ministry officials, as well as Hamid Reza Naqqashan, the intelligence chief of the Revolutionary Guard, and Mahmud Hashemi Rafsanjani (brother of the head of the Iranian parliament), the head of the Syria-Lebanon-Palestine desk in the Iranian Foreign Ministry.

At 8:00, a guard informs the Iranian officials of the arrival of the special flight for which they had been waiting. After about a half hour, Naqqashan is seen sitting in a private Mercedes. Next to him is the important guest, Ahmad Jibril. They are followed by Mahmud Hashemi Rafsanjani in another Mercedes with Jibril's escorts. The cars head at high speed to northern Tehran. At about 9:30, they enter the Manzariyeh Camp, where guests of the Islamic Republic are put up in a special wing.

**9 July 1988 7:30 a.m. Place: Manzariyeh Camp**

Three cars leave Manzariyeh camp for Jamaran, where Ayatollah Khomeyni resides. After about a half hour, the jurisprudent (al-wali al-faqih) receives the Palestinian, Marxist, fundamentalist Muslim fighter, comrade

Ahmad Jibril. As Jibril kneels down to receive the right hand of Ruhollah al-Musavi al-Khomeyni, Interior Minister Mohtashemi, who had accompanied Jibril during his visit to Jamaran, says: "Our brother Ahmad has come to inform your eminence of his willingness to support us in taking revenge on America, the great satan!"

The meeting lasts no more than five minutes. When Jibril leaves the office of the jurisprudent, Mohtashemi informs him that Ruhollah was indeed pleased with him, and that his special providence would embrace the Popular Front for the Liberation of Palestine (General Command).

These lines were not gleaned from a new play or a work of fiction based on the life of Ruhollah al-Musavi al-Khomeyni. Rather the writer of these phrases is a prominent Iranian cleric, whom fate wanted to be close to Ayatollah Montazeri. After Ayatollah al-Khomeyni dismissed his successor, Ayatollah Montazeri, this prominent Iranian cleric close to Montazeri was compelled to hide somewhere in the middle of Iran. Nonetheless, he was able to smuggle out his account of the Lockerbie incident.

AL-DUSTUR is unique in publishing this account, although it should be noted that there are international newspapers which will publish the same information in the coming days.

According to the account, Ahmad Jibril, after meeting with Khomeyni, attended a meeting at the headquarters of the Revolutionary Guard. During the meeting, whose participants were the interior minister, the chief of Guard intelligence, and officials of the department of liberationist movements, Jibril was told that revolutionary forces in Iran felt that America was engaged in carrying out a dangerous conspiracy in the region, which was targeted against all revolutionary forces, including revolutionary parties in Iran and Lebanon. Then, one of the guard officials spoke about a plan calling for the simultaneous hijacking of as many American aircraft as possible from different areas. According to this plan, the hijacked aircraft would be taken to Beirut, where the passengers would be removed and confined in order to be exchanged for revolutionaries detained in American, European, and Israeli prisons. Regarding the fate of the aircraft, Jibril was told that blowing them up would be the best means for taking revenge on the great satan and forcing it to retreat from its previous calculations. Jibril and the Iranian officials talked and exchanged ideas for several hours, after which Jibril agreed to assist in the aircraft hijacking plan in exchange for \$10 million and a specified quantity of weapons and explosives.

Jibril returned to Beirut on 12 July via Damascus, where he informed Syrian officials of what transpired between him and the Iranian interior minister and his friends. While the Iranian account does not disclose the reaction of Damascus to what Jibril reported, American sources

indicate that Washington obtained through Damascus, early last August, information regarding an extremist terrorist group which intended to hijack an American passenger plane; however, Damascus did not clearly identify the group or the parties behind such a plan.

#### 28 July 1988

On this day, five Lebanese and Palestinian groups arrived in Tehran aboard a special Iranian flight which took off from Damascus Airport. The five Lebanese and Palestinian groups comprised 70 individuals, some of whom are known, including the likes of 'Abbas al-Musawi; Husayn al-Musawi; 'Ali Hammadi; Ahmad (al-Mughniyah), cousin of 'Imad (al-Mughniyah); 'Ali al-'Afi; Ibrahim al-Amin; 'Ali Shammas; Abu-Fadi; Ahmad al-'Umlah; and Abu-Muhammad al-Najafi.

After a short stop in Tehran, the five groups—accompanied by several intelligence officials of the Revolutionary Guard, and the Assistant Interior Minister, Ahmad Akhundi—flew to the city of Mashhad on an Iranian passenger plane on a normal flight from Tehran to Mashhad.

After visiting the tomb of the eighth Shi'ite imam, Imam 'Ali Ibn-Musa al-Rida, in Mashhad, members of the five groups went by bus to the Vakil Abad Camp, located northwest of Mashhad. Three days later, some members of the aforementioned groups returned to Tehran, while others remained at the camp.

An Iranian jumbo passenger plane transported 54 Lebanese and Palestinians to Damascus, after the conclusion of their special training period at the Vakil Abad Camp, where youth are trained in the specialties of hijacking aircraft and blowing up military and industrial installations.

#### 28 August 1988

Ahmad Jibril arrived in Tehran again, accompanied by five of his followers. They were transported from the Mehrabad Airport to the Laleh (Savka) Intercontinental Hotel, where they spent three days, during which they met with Iran's interior minister, the commander of the Guard, Mohsen Reza'i, and the Guard's intelligence chief, Naqqashan. During these meetings, Jibril spoke of the difficulties being encountered by his and other groups involved in the plan to hijack American aircraft, especially the difficulties pertaining to reconnoitering and monitoring the movements of American civil aircraft, in view of the fact that America had upgraded its security measures in all airports of the world a few weeks before.

Jibril recommended that the aircraft hijacking plan be exchanged for another plan, which would require attacking and blowing up American aircraft in areas close to four airports: the Athens airport, The Larnaca airport, the Copenhagen airport, and the Helsinki airport. After

a long discussion, it was resolved to conduct a comprehensive investigation regarding the possibility of attacking and blowing up American aircraft in the airports indicated by Ahmad Jibril.

#### 4 September 1988

In Beirut, Ahmad Jibril met with the Iranian Charge d'Affaires, Hoseyn Niknam (Abu-Hamd), who informed him that his friends in Tehran preferred to blow up an American passenger plane with its passengers if that was possible, by bombing the plane upon take-off or landing. Tehran also informed him that nothing stood in the way of its support and financing of the operation.

#### 7 September 1988

On this day, Hoseyn Niknam, accompanied by Mohsen (Armin), Iran's intelligence chief in Beirut, went to the barracks of Shaykh 'Abdallah in Baalbek, where he met with Ahmad Jibril, Shaykh Ibrahim al-Amin, Shaykh Subhi al-Tafili, three Armenians cooperating with Jibril, and a Turkish engineer who had arrived in Baalbek two days earlier by way of Damascus on a Moroccan passport. Niknam introduced the Turkish engineer to Jibril as "Rasit Mehmet," a Hezbollah official in West Germany, and a technical engineer at the Frankfurt airport.

#### 14 September 1988

A meeting was held at the home of Iran's Interior Minister, 'Ali Akbar Mohtashemi, on Efriqah Street in Tehran. It was attended by a special representative of Ahmad Jibril, Salah Muhammad, as well as 'Imad (al-Mughniyah), who had been residing in Tehran since emerging from the Kuwaiti plane hijacked to Iran's Mashhad Airport the previous year. It was also attended by a Turkish representative of the Hezbollah Party in Iran named Muhammad Hatimi, and a member of the dissident Armenian Secret Army, Hayro Karabetian. During the meeting, the latest changes in the first plan, which had been presented earlier in Baalbek, were presented. Mohtashemi distributed roles again in this meeting. The following is Mohtashemi's chart:

a. The committee supervising the operation comprised: Hamid Reza Naqqashan, Mohsen Reza'i, Ahmad Jibril, and Ibrahim al-Amin.

b. The committee coordinating between the parties participating in the operation comprised: Ibrahim Abu-Sahlah (Palestinian), 'Imad (al-Mughniyah) (Lebanese), Muhammad Hatimi (Turkish), Mohsen (Armin) (an Iranian), Abu-Fadi (Palestinian), 'Ali Hammadi (Lebanese).

c. The committee tasked with carrying out the operation included Turkish engineer Rasit Mehmet, Armenian Hayro Karabetian, Ahmad (al-Mughniyah), Reza (Khaskar), the chief-of-staff of the Revolutionary Guard in Lebanon, and eight Lebanese and Palestinians trained previously in Tehran.

d. Mohtashemi specified the names of three individuals who would be responsible for giving the green light to carry out the operation. They are: Rasul Qassab Qara'i (Iranian consul in Frankfurt), Manuchehr (Toli' Masuleh) (an Iranian intelligence official in Switzerland, expelled by Swiss authorities two months ago), and Biazar Shirazi (Iran's ambassador to Greece). It should be noted that Mohtashemi added another name to this list, Danesh Yazdi, the Iranian ambassador to Sweden.

#### 27 September 1988

Ahmad Jibril informed the Iranian intelligence official in Beirut, Mohsen (Armin), of the arrival of nine special groups in the following cities, to carry out "the difficult mission": Frankfurt, Helsinki, Copenhagen, Larnaca, Athens, Oslo, Bangkok, Singapore and Karachi. Each group comprised three individuals tasked with coordinating with the terrorist cell in the pertinent country. For example, the group that arrived in Helsinki had to contact a cell subordinate to Hizballah, while the group that arrived in Athens had to contact an Iranian cell, whose representative is (Sa'iq) Biazar Shirazi, alias Nur Mofidi. Mohtashemi announced that the code name for the operation would be "revenge".

#### 4 October 1988

Danish authorities received several reports indicating the presence of a terrorist cell among Iranian refugees, and several (Iraqis) who had been recruited by Tehran, and sent to Denmark to request political asylum.

#### 8 October 1988

Authorities in Bangkok discovered an enormous quantity of explosives in an area near the Bangkok Airport.

#### 12 October 1988

An urgent cable arrived in Tehran from Mohsen (Armin) in Beirut. The cable contained news of the arrival of the special cargo at the specified areas.

#### 28 October 1988

During a small meeting held in the old Iranian embassy building in Beirut, attended by Jibril, (Armin), (Khaskar), and Ibrahim al-Amin, Jibril informed the latter that a new group comprising four people had joined the previous group in Frankfurt, which would apparently be the first theater for an act of revenge on Americans. [passage omitted]

#### 11 November 1988

German authorities received several reports concerning the presence of a terrorist cell in Frankfurt, which intended to attack American interests. [passage omitted]

#### 26 November 1988

The West German police continued its investigations of the terrorist cell in Frankfurt. During the last week of November 1988, five Neareasterners were arrested, three of whom carried forged Jordanian passports. The police found in their possession, huge quantities of explosives, automatic weapons, and a medium tape recorder containing 250 grams of the high explosive, semtex. On the same day, the American embassy in Helsinki received a warning from an unidentified man regarding the possibility of a hijacking or attack against a plane belonging to the Pan Am Company.

#### 7 December 1988

Jibril informed Mohsen (Armin) that the setback to the operation caused by the arrest of several partisans in Germany had been compensated by the arrival of three new persons in Frankfurt.

#### 15 December 1988

The Iranian embassy in Beirut organized, at the Carlton Hotel, a conference entitled "an international conference to support the Palestinian uprising." Journalistic and political circles displayed no interest in this conference, but the American embassy in Beirut followed its proceedings, and ascertained the identities of those participating in it. Ahmad Jibril, Abu-Musa, Abu-Fadi, Ibrahim al-Amin, Abu-Muhammad al-Najafi (from the al-Da'wah Party, Ahmad Hasan (Mihna), Sa'id Sha'ban, and 'Ali 'Amar were among the prominent personalities at the conference, whose concluding communique contained a vague reference to the approach of the date for revenge on America in retaliation for its crime against the Iranian civil aircraft over the Gulf at the beginning of last summer.

#### 20 December 1988

Eng Rasit Mehmet, and two of his companions received a special shipment from Hayro Karabetian at the Frankfurt airport, as the latter was on his way to Denmark on a Turkish, political refugee passport.

On the same day, Rashid Mehmet received the green light to carry out the operation from Rasul Qassab Qara'i. The morning of 21 December was selected to carry out the operation, after the Iranian embassy in Beirut received information indicating that the five American intelligence agents would be going to America via Frankfurt on a Pan Am morning flight which would pass over Britain.

#### 21 December

The American passenger plane crashed over Lockerbie. While an unknown group in Beirut called the Islamic Revolution Guard claimed responsibility for the incident, the Iranian foreign ministry issued a communique in which it strongly denied reports alleging that Iran was behind the incident.

In Beirut, Ahmad Jibril received the final portion of his fee, which totalled \$10 million.

In Larnaca, the Iranian charge d'affaires received Rasit Mehmet, who arrived in Larnaca on a German passport after carrying out his mission.

The account thus ends without its author determining Syria's role in the operation, or disclosing whether Ahmad Jibril gave part of his fee to his Syrian sponsor.

### Israeli-Syrian Strategic Parity Analyzed

44230075 Tel Aviv MA'ARIV in Hebrew 10 Mar 89 p 3

[Article by 'Emanu'el Rosen]

[Text] In quoting Gen Yosi Peled, TIME magazine revealed an open secret that the military censor had kept from publication until then: Some 2 months ago, the Syrians fired on Israeli war planes that had accidentally crossed the border.

That was not the first time that such an incident had occurred. Nonetheless, it had no great military or political significance, especially as it apparently was the act of a local Syrian commander. But given the tense state of affairs on the Golan Heights, even so marginal an event as this, if it had turned out otherwise, was capable of deteriorating into a situation in which the two sides could lose control.

A deterioration into a loss of restraint is one of the possible scenarios for attempting to predict the conditions under which war could break out between Syria and Israel.

For example, no one can predict where events would have led if the bomb that Syrian Intelligence attempted to smuggle aboard the jumbo El Al jet in London had blown up the jet, its crew, and its hundreds of passengers.

Defense Minister Yitzhaq Rabin was not pleased with the newspaper headlines at the beginning of the week quoting the chief of staff as estimating the chances for a military confrontation with Syria as reasonable. Both of them were angry about the quotation that appeared in TIME at the end of the week in the name of the commander of the Northern Command. For his part, Peled contributed to making people aware again of the threat of war and even designated 1989 as the year of decision, in which the Syrians will decide whether and when to go to war.

Really, no fundamental event occurred this week that justified such a string of headlines. In the tense state of affairs, Syria too feared an attack by Israel that could release the safety catch. And when, along with the headline on the chances of war with Syria, there appeared an additional quotation of the chief of staff, speaking of the tradition and importance of striking first, Syrian paranoia was liable to snowball.

The Syrians have no faith in Israel's assertions that it will not undertake a war against them. They have never had that faith. If they ever had a few drops of faith, they evaporated during the war in Lebanon, when the IDF [Israel Defense Force] attacked Syrian forces in the al-Biq'a Valley even though the Syrians had taken strict measures in the first days not to interfere and held their fire.

Nothing really important happened this week. On al-Asad's calendar, he still has not marked the date for the next war, and no substantial preparations have been made on the ground itself. The Soviet defense minister is arriving in Damascus for a visit, but along with the war toys he is bringing, the primary message is political.

This is in fact a follow-up visit to that of Foreign Minister Shevardnadze. The Russians are making clear to their allies that now is the time for a political process and that a military action would receive a chilly, reserved reaction in Moscow.

Nevertheless, Syria is continuing with its preparations for war. These preparations this year have reached a new peak in equipment, training, investment, fortifications, and in weapons themselves.

Indeed, political action, should it occur with the participation of the PLO, the object of al-Asad's hatred, leaving Syria by itself, could propel the Syrian ruler towards the option that in his eyes is the only one left to him: war.

That, along with a sudden deterioration in conditions or in Syria's fear, is the third scenario for the possibility of an outbreak on the northern front.

Syria now is the only country in the Arab world that has not moved away from the idea of a "war of victory" against Israel. The minimum for such a victory is conquest of the Golan Heights. The longer term objective is reestablishing greater Syria, that of Saladin the Great.

Hafiz al-Asad, the one man who will decide when to pull the trigger, is a rare combination of strength and pragmatism. He does not just speak ideology, he works for it. A wall painting in his office, depicting the battle of the Horns of Hittin, in which Saladin defeated the Crusaders and then ruled from Syria to Egypt, is a symbol, not just a decoration.

Fifteen years after the Yom Kippur War and 6 years since the war in Lebanon, it is impossible to rule out the possibility that al-Asad feels that Syria has reached the strategic parity with Israel that he has long sought. What that means is that Syria can defend itself against an Israeli attack and perhaps even launch a surprise attack and capture the Golan Heights and Mount Hermon.

In other words, Syria by itself can act, without aid from other Arab countries. It might also include making use at the time of the "Lebanon front" as a second front that will place Israel and the Galilee settlements in a serious situation.

Ever since the book "The Sphinx of Damascus" coined the term "strategic parity," opinions have been split over what it meant.

Al-Asad has not helped to disperse the fog.

The two key questions are:

Does the Syrian ruler really believe that he has attained parity?

If he believes he has, are his expectations realistic?

For al-Asad, an answer in the affirmative to the first question is a necessary condition for going to war.

The feeling is that al-Asad believes that he has reached parity.

Another necessary condition, no less important, that al-Asad has set for himself is that the war will be one of surprise.

The current Syrian deployment permits a war to "roll down" in a matter of hours from the moment the decision is made. On the assumption that Israeli intelligence will not know in advance of Syria's intentions for war, a time period will be created in which, before the first reserve soldiers can establish themselves on the Golan, Syria will have a decisive quantitative advantage in every sector.

The Syrians are capable of surprise. Four of their nine divisions are deployed in the area between the first line of positions on the Golan Heights and Damascus. Two mechanized divisions, including 800 tanks and hundreds of armored personnel carriers equipped with Sagger anti-tank missiles, are deployed in positions and fixed camps on the front line some kilometers from the border with Israel.

Along the length of the border, "ghost towns" have also been built; one theory is that they are populated by special commando units of the Syrian Army.

Rapid departure from the fixed camps will enable Syria to carry out a surprise move against Israel. Therefore, it is reasonable to assume that the Syrians will carry out three other critical acts at the same time: Army concentrations and important junctions will be bombarded from Syria by long range ground-to-ground missiles; commando forces will be flown from the "ghost towns",

will go around the Israeli anti-tank obstacles and minefields, and will come down on the other side of the border; and the Lebanon front will come to life with a heavy artillery barrage on the Galilee settlements.

During the past year, various publications attempted to make a connection between the serious economic situation in Syria and Glasnost in the Soviet Union, and to draw a parallel by suggesting that the Syrians would invest less in the army and preparations for war.

The facts on the ground prove the opposite:

In budgetary terms, the portion for security grew (the people of Syria were called upon to tighten their belts "for the sake of preparing for war," and allocations for supplying gas and electricity for neighborhoods and residences were instituted).

The Syrians have completed their study of the lessons of the war in Lebanon and finished building a thick defense line and fortifications on the Golan, which also includes ranks of anti-tank ditches up front. They have gradually begun to shift to training for attack, while previously the emphasis had been primarily on training for defense. This training places emphasis on penetration assaults.

The Soviets have actually refused many of Syria's requests for equipment, but still supplied "supplements" this year to existing equipment, including more MiG-29 warplanes.

Apparently, they are about to sign a deal for supplying Sukhoi-24 planes. For the first time, Syrians will have in their hands attack planes capable of carrying out low altitude attacks against targets day and night. These planes, along with the MiG-29's, catapult the Syrian Air Force to a much higher level.

Is war with Syria inevitable?

Opinions over that are divided. While there are those who believe that war is simply a matter of time and that Israel took a big step towards it this year, others say that even if al-Asad should decide that the time has come for military action, there remains one factor that will prevent him from taking that course: the deterrence power of the IDF and the knowledge that such action is doomed to humiliating failure.

In al-Asad's eyes, does such deterrence exist?

No one knows. The Syrians, for example, consider the war in Lebanon as a great victory, in which, with inferior forces, they withstood the superior power of the IDF and inflicted heavy casualties on it.

Still, al-Asad knows that, as time passes, the technological gap that he has worked to close is growing. He also has read the words of the chief of staff about the weapons capable of high level destruction and low level attrition.

From that point of view, every quiet day that passes on the Golan Heights helps Israel and the IDF's power of deterrence.

## PALESTINIAN AFFAIRS

### Election Proposal Discussed

**Editorial Questions Specific Nature of Elections**  
44040407 Jerusalem AL-BAYADIR AL-SIYASI in  
Arabic 22 pr 89 p 5

[Commentary by Jack Khazmu]

[Text] The "program" of Israeli Prime Minister Yitzhaq Shamir discusses holding "elections" in the areas occupied in 1967. Israel's Defense Minister, Yitzhaq Rabin, made the same suggestion months ago.

There are those who oppose these ideas, and there are those who are studying this "program." There are supporters. However, before adopting a specific position on these "ideas," or proposals (call them what you wish), the following simple, straightforward questions should be posed in the hopes of obtaining some answers from the authors of these proposals, or those who presented them:

- Are the proposed "elections" municipal, political or parliamentary elections?!
- Which law will be in effect if these elections are held:
  - a - Will it be the Jordanian law pertaining to municipalities and village councils?
  - b - Will it be the previous Jordanian Parliament Elections Law, which Jordan deemed unusable and abrogated, after which it enacted a new law which does not include the occupied areas?
  - c - Will it be a law issued on the basis of "some order" under a specific number, as of yet unknown to us?
  - d - Will it be a new law requiring a committee to prepare and formulate it?

And the most important question: Who will be the members of this committee? Will they be Israelis... Americans... Palestinians? Or will the Security Council convene a special session to enact the law after it has been formulated by a specific committee? Thus, the formulation and enactment of the law could take months or perhaps years.

Who will supervise these elections?

What will be the function and task of those who are elected?

Where will the seat of the elected body be located? Will it be in a special building yet to be constructed? Will we have to wait years for it to be built before elections are held? Will the seat be in one of the cities of the occupied areas, or in Geneva or New York?

What topic will the "elected" discuss? Will they discuss the administration of local affairs, the removal of refuse from the streets, road-paving, and very minor projects, or will they discuss an emaciated solution? Will they talk about autonomy, or about a Palestinian state west or east of the Jordan River, or in south Lebanon?

Is not the idea of holding elections a loss of time regardless of the results, and the hopes which they hold out for the Americans, Israelis or Europeans? Thus, we come to the basic point, namely that the "elected," regardless of their functions, will inevitably be supporters of the people's cause, and will aver that they cannot represent all of the people, because its sole representative is the PLO. This is what is being brought home to most of the states of the world.

Is not the holding of an international conference the soundest and shortest way to reach a conclusive and enduring solution; is not such a conference much more important than minor proposals, which would lead back to square one and no solution, and which would put us back years and years?

These are merely questions which we pose. We are open to answers. However, we hope that those who originated the suggestion to hold elections will respond to our questions with frankness and truthfulness, and without circumvention.

### PLO Consideration of Elections Proposal Discussed

44040407 Jerusalem AL-BAYADIR AL-SIYASI in  
Arabic 22 Apr 89 pp 10-11

[Text] During his recent visit to Washington, Israeli Prime Minister Yitzhaq Shamir proposed to the American administration ideas to activate the Middle East peace process. The American administration accepted Shamir's ideas, qualifying them as a first, small step, but nonetheless a new and important step which can be developed and crystallized to promote the peace process. This small, important step is represented by a proposal to hold elections in the occupied Palestinian lands in order to select representatives of the Palestinian citizens to negotiate with the Israeli government over expanded autonomy for a limited period, to be followed by negotiations on the final status of the occupied lands.

### First Response

Immediately following the announcement of these ideas, and their acceptance by the American administration, different Palestinian, Arab and international reactions to

them were issued. Our concern is the Palestinian reaction. What was this reaction? Can it be understood as a rigid formula in the light of U.S. acceptance of Shamir's proposal? What is the status of this reaction?

Actually, the initial Palestinian reaction was expected insofar as it completely rejected elections under the auspices of the occupation, and accused the American administration of duplicity, because it said one thing to the Arabs through President Husni Mubarak, and another to the Israelis through their prime minister.

The Palestinian reaction went on to state that ideas contained in Shamir's proposal are nothing but a lifeless, useless copy of the infamous Camp David accords. Consequently, they deserve neither attention nor commentary, because their objectives conform with those of Camp David in that they aspire to divide Palestinian unity, and end the intifadah (uprising), which has created circumstances favorable to the Palestinian cause, and has made this cause a primary international concern.

Actually, this initial reaction of rejection achieves a number of goals according to many observers of the Palestinian arena and its political events, the most important of which are:

- It does not provide an opportunity to Palestinian extremists to discredit and interpret [as published] the Palestinian leadership. These extremists could question the benefit of the long struggle waged by the Palestinian masses, and the legions of martyrs who fell in the intifadah. They could also question the Palestinian leadership's abandonment of the bloodshed by these legions. Consequently, the extremists could achieve some success in creating a type of schism among the Palestinian masses, especially the fanatical youth, who could be incited to violate the most important principle of the intifadah, namely avoidance of the use of firearms, which is desired by Israeli extremists, and even by many of those who pushed for acceptance of elections, due to the position in which the intifadah has placed them.
- It does not provide an opportunity to several Arab regimes—which remain unable to understand the intentions and objectives of the Palestinian leadership—to outstrip the nationalism and patriotism of the Palestinian leadership, and consequently impede the creation of a single unified Arab position on the efforts being exerted in the international arena to create a just settlement to the Arab-Israeli conflict.
- It gives the Palestinian leadership itself more time to examine what is behind the elections, the American acceptance of elections, and the international position on the elections, especially since there is an international consensus on the need to hold an international peace conference as the only means to bring about peace in the region. Also, this rejection makes the American administration—if it is earnest about its

peace effort, which was not apparent to the Palestinian leadership during the first two rounds of discussions with the American ambassador in Tunisia—more willing to disclose the essence of the Israeli position to the PLO, and consequently respond more expeditiously to the questions posed by the Palestinian delegation in the dialogue, especially with regard to the final American position on the right of self-determination, the establishment of an independent state, and the uniqueness and legitimacy of the PLO representation of the Palestinian people.

Many observers of events in the Arab-Israeli conflict believe that such a rejectionist response coming from either party to the conflict is not improbable. It was only yesterday that Shamir reacted to the Palestinian peace initiative in a manner similar to that of the Palestinian rejection of Shamir's elections proposal. However, the American administration did not view the election proposal from the Israeli viewpoint, which compelled the Israeli government to adjust to the Palestinian peace initiative, albeit through the American administration, and not directly. Hence, the Palestinian leadership will likewise demonstrate an adjustment to the elections proposal, but under specific circumstances, and through the American administration.

These observers believe that the Palestinian position of rejection must change, and that it will assume a new purpose in time. However, many questions must be answered before a positive Palestinian response to Shamir's proposals is formed. According to some observers, it appears that the American administration understood the meaning of the initial Palestinian rejection of elections, and, therefore, began to send positive signals regarding what could be indicated by questions concerning elections, especially since the elections problem had been raised at an earlier time, and the Palestinian side had clarified its view regarding it in the round of dialogue held in Tunisia at the end of last March. The questions raised by the Palestinian side are still without an official response, at least in anticipation of the next round of dialogue.

The most important signal which the American administration began to give in order to aid in the shaping of a Palestinian response—and consequently an Arab response—is a positive signal: The American administration praised the Arab states and the PLO for not rejecting Shamir's proposals, calling Shamir's proposals a small, first step which can be developed and crystallized. The American administration also indicated that Shamir's proposals are not an extension of the Camp David accords; that they would include all residents of the occupied lands, including Palestinian citizens in East Jerusalem; that the elections would be general, political elections according to an agreed arrangement; and that a cessation of the intifadah would not be necessary to hold elections. Bush indicated that matters must lead to a dialogue and negotiations with the PLO. Also, James Baker, the American secretary of state, had indicated

previously that Shamir would not find a single Palestinian willing to talk with him, and that consequently, only the PLO would remain before him.

In addition to the positive American signals, Shamir was himself compelled to recognize the new reality with which he had to deal in Washington. He agreed to talk with whomever the Palestinians elected, even if they were supporters of the PLO. He went even further: Immediately after his return to Israel, when asked at the Lod airport whether he would agree to Palestinian participation from outside the occupied lands in elections, he responded that different proposals exist regarding this subject, and that they would be discussed.

According to observers, this a significant, positive signal, inasmuch as after returning from Washington, Shamir—who had described the Arabs as grasshoppers, and the Palestinians as an easy nut to crack—began to speak in a different tone. He began to be concerned about improving Israel's image, whereas previously his concern had been to preserve the security and safety of Israel without consideration of the impact of Israel's image on its security.

Also, if Shamir agrees to the participation of Palestinian residents of Jerusalem in elections, this would be a clear signal that Jerusalem would be a subject for negotiation. Although, how could he agree to this when he grants Palestinian residents of Jerusalem Israeli identity cards, and considers the city his eternal capital, which will never be divided, as declared in the concluding statement of the Jewish solidarity conference held under his personal sponsorship in Jerusalem shortly before his trip to Washington.

#### Formation of a Positive Palestinian Response

Many observers, and those who watch how the Palestinian leadership makes political decisions, do not doubt that the American and Israeli signals are nothing but a response to Palestinian questions concerning the elections proposal. Although these signals are insufficient in the official Palestinian view, and unable to induce the PLO to make a positive, official response to Shamir's suggestions, they have nonetheless been able to capture the praise of the Palestinian side. This praise, according to some observers, is nonetheless cautious praise, or praise which aims to spur the American and Israeli sides to respond to Palestinian questions more precisely and positively.

The Palestinian response to the American and Israeli signals was contained in a statement made by Palestinian leader Yasir 'Arafat, who stated that they were not suited to moving the peace process. However, some politicians have indicated that a number of 'Arafat's aids stated, in their private meetings, that Palestinian leaders, headed by Yasir 'Arafat, are not interested in creating a conflict with the American administration under the current circumstances. They further indicated that the Palestinian leadership believes that the current American administration

is earnest about its dialogue with the PLO, and is earnestly pursuing the attainment of an agreement on a peaceful solution in the Middle East region, but that it was moving slowly in this regard.

Subsequently, Salah Khalaf (Abu Iyad) gave a clearer appraisal of Shamir's proposals, stating that they constituted a development, albeit an inadequate one. He also pointed to previous positions announced by Shamir only a few months ago, which rejected the idea of holding discussions and a dialogue with the Palestinians. Abu Iyad added that the Palestinians want Shamir and others to recognize the PLO as the sole, legitimate representative of the Palestinian people.

Here, it is worth indicating that several days before making the aforementioned statement, Abu Iyad described the American administration as duplicitous in dealing with the Middle East problem, because it accepted Shamir's elections proposal.

The main question here is what compelled Abu Iyad to change his position on Shamir's proposals. The answer—provided by those familiar with Abu Iyad's special acumen for dealing with political problems—is that the signals sent out by the American administration, and the clarifications which he received, moved him toward this position, which is described as a certain type of conditional positivism.

#### Palestinian Conditions for Acceptance

After the PLO executive committee rejected Shamir's proposals in a statement issued from Tunis by the Palestinian WAFA news agency, many Palestinian officials began to fix specific conditions for accepting the idea of holding elections in the occupied Palestinian lands. As a matter of fact, such conditions were proposed not long ago, when the unified command of the intifadah, in its leaflets 18 and 20, called for the need to hold municipal elections. However, this idea has since developed into the idea of holding general, political elections.

According to observers, the most important conditions, to which the Palestinian leadership adheres, for accepting the idea of elections, are as follows:

- That the elections be general, so that all Palestinian citizens in the occupied territories in 1967 could participate in them, including of course those in East Jerusalem.
- That a specific place be guaranteed for the PLO in the elections.
- That a reliable framework be provided for future contacts between elected representatives in the occupied lands, and the Palestinian leadership in Tunisia.
- That those elected be permitted to engage in political activity with complete freedom, and without the intervention of Israeli or other authorities regarding the manner in which this activity is practiced.

- That there be international supervision of the elections, either by the five permanent member-states of the Security Council, or by only the Soviet Union and the United States.
- That the elections be part of a comprehensive plan to bring about peace in the region.

Actually, these conditions can be negotiated, and it is possible to obtain an outcome which is satisfactory to the parties to the conflict, especially since Yitzhak Shamir found himself compelled to present the elections proposal without defining the nature and goal of the elections, and what must be achieved. This means that the American administration, which waved the whip at him in private meetings, will demand something from him after elections, especially since the administration has also become insistent on the principle of ending the occupation according to UN Resolutions 242 and 338, without exception. In exchange for this insistence, it also waved before Shamir the possibility of studying the aid which the American treasury provides to the Hebrew state, and the political support it lends to Israeli practices in various international forums, especially the Security Council. Therefore, observers believe that these matters compelled Shamir to declare his interest in improving Israel's image. They maintain that this image will not improve unless the source of its tarnishing is removed, which is none other than the Palestinian problem, such that Shamir must strive to find a solution to this serious problem in accordance with international appraisals, and not contrary to them.

Many believe that Shamir will pursue a peaceful course according to some agreement with the American administration, which is itself attempting to reach an agreement with the PLO through its dialogue with it, and with a number of Arab states. This agreement will doubtlessly lead to a peace process in the region under the auspices of the present political leaders of the parties to the Arab-Israeli conflict. Everything indicated regarding Shamir's inflexibility and rejection of peace is nothing but the legacy of the past. After his Washington visit, Shamir has come to aspire to appear as a national leader who brings peace to his people, as Menahem Begin did. He will not leave this opportunity to Shim'on Peres. Rather, he will go all out to also preserve the leadership of the Herut Movement and the Likud Block in Israeli political life.

As for the Palestinian leadership, according to all information, it will doubtlessly not risk clashing with the United States, especially since the United States has become more understanding of the nature of the Arab-Israeli conflict based on its lengthy experience, and will thus manage the conflict successfully. This administration will focus on internal established facts, which have begun to take shape in different groups of the Palestinian people, whether in the interior or abroad, and on established historical facts pertaining to many similar cases of conflict, especially since a similar conflict occurred in Palestine in the Crusader period. It will not pay attention

to empty, nationalistic hyperbole, because it is aware of its aims and what guides it. This awareness must be transferred to those engaging in hyperbole, if the latter want to come out of their caves and concede that waiting for miracles at this time is unrealistic, inasmuch as no miracle has dropped from the sky. However, it is possible to join in making them happen in accordance with a precise understanding and the successful management of problems.

Nevertheless, many are asking whether it is true that the PLO is going this route. Many observers respond, according to the preceding information, in the affirmative. Some are cautious in their appraisal, while others are optimistic without caution. The argument for caution is that haste must be avoided, lest something happen which upsets matters. The incautious optimists are thinking about what preceded; they believe the "food" is well-cooked, and that the only outstanding issue is agreement on who is to be invited. However, we must wait to see which of the views of the two optimistic groups is realized.

#### **Controversy Over PLO Statements on HAMAS Intifadah Role**

*44040333B Kuwait AL-MUJTAMA' in Arabic  
14 Mar 89 pp 24-26*

[Article: "Response to Published Statements Made by 'Arafat on HAMAS, Social Reform Society, the Intifadah; 'Arafat Denies Statements Mentioned in Kuwaiti Newspapers on HAMAS, Muslim Brothers"]

[Text] On 6 March 1989 some Kuwaiti newspapers published reports about their meeting with Mr Yasir 'Arafat, chairman of the PLO's Executive Committee. Among other things, they said that Mr 'Arafat denied that it was the Muslim Brothers who had started the intifadah (the uprising).

Some local newspapers added that 'Arafat had revealed an important secret when he said that he had contacted leaders of the Muslim Brothers in occupied Palestine when the intifadah started. 'Arafat said that he asked leaders of the Muslim Brothers to issue a statement supporting the intifadah, but that they had declined to do so despite his repeated and persistent requests. 'Arafat's aim was to show the unity of the Palestinian people against the occupation. 'Arafat said that when his request was denied, he asked for a meeting with leaders of the Social Reform Society in Kuwait. He presented the situation to them, and they promised him that something would be done.

'Arafat added—and some Kuwaiti newspapers also published this—that leaders of the Social Reform Society contacted leaders of the Muslim Brothers regarding what was requested and what both parties had agreed to. 'Arafat was informed about that while he was still in Kuwait and before his departure from it.

What was published in Kuwaiti newspapers when the editors-in-chief of local newspapers met with Mr Yasir 'Arafat astonished everybody. The statement that the Muslim Brothers Movement had nothing to do with the intifadah and that the intifadah had started apart this movement was especially astonishing. What was even more astonishing was the statement that the Muslim Brothers had refused to participate in the intifadah and would not even issue a statement of support!

On 7 March 1989 the newspapers published other statements by Mr 'Arafat in which he declared that statements attributed to him about some Palestinian organizations, especially statements about his brothers in HAMAS, were not accurate.

AL-MUJTAMA' took up this matter with Mr 'Abdallah al-'Ali al-Mutawwa', president of the Social Reform Society who indicated the following:

"After Mr 'Arafat made those statements, we believe we have the right to respond and to speak the truth as we know it. We do this to confirm the truth and to present the facts to the generations.

"The blessed intifadah, which is now 15 months old, started, as everybody knows, when a Jew, driving his truck under the protection of Israeli intelligence, ran over four residents of occupied Gaza. He did this to avenge the death of a Jew who had been killed the previous day. The incident infuriated the Islamic masses in Gaza, and they took that opportunity to express their position against the occupation and against the concessions which some people make to the Jews. That is how the intifadah started. Not even Mr 'Arafat knew about it.

"In the first few weeks after the intifadah got started, Mr 'Arafat visited Kuwait and contacted the president of the Social Reform Society. Contrary to what Kuwaiti newspapers attributed to him on 6 March 1989, 'Arafat never asked the president of the Social Reform Society to intercede with any other group in Palestine: not the Muslim Brothers or any other group. Instead, 'Arafat asked the president of the Social Reform Society for a statement supporting the intifadah to be issued by the society in Kuwait. Based on the principle of supporting any Islamic action taken to promote the cause of God, and to grant Mr Yasir 'Arafat's request, the society issued a statement supporting the intifadah. That statement was published in the society's magazine, AL-MUJTAMA'.

"Afterwards, details of how the intifadah got started—those we already mentioned—began to reach the capitals of the world. The world found out that the harbingers and leaders of this uprising were Muslims who were known to Mr 'Arafat. The world saw and read statements made by HAMAS, the Islamic Resistance Movement which had been there from the very beginning, working with every Muslim Palestinian who picked up a stone and hurled it at a Jew. The whole world saw that, and Mr

'Arafat also knew that young believers from the Muslim Brothers and their supporters were largely responsible for the outbreak of the blessed intifadah. They were also responsible for its continuation and for the direction it has taken.

"In this regard we would like to convey to Mr 'Arafat some of what was declared by his representative Mr Abu Hisham al-Mazyen. Mr 'Arafat's representative spoke at the 29th session of the Constituent Assembly of the Islamic World League which was held in the Holy City of Mecca on 8 Rabi' al-Akhar 1409 A.H., [coinciding with] 12 November 1988.

"Mr al-Mazyen said, 'Today, fellow Arabs, in an atmosphere charged with the intifadah's contributions and sacrifices, HAMAS, the Islamic Resistance Movement, moves like a great river flowing from the same source, the great fountainhead of Islam. HAMAS is moving in the same direction, and it is seeking the same goal: the total liberation of Palestinian soil, the defeat of the Zionist invasion and the elimination of this intrusive entity. Fellow Arabs, this blessed undertaking by HAMAS has had its positive effects on members of Fatah who realize the significance of this new beginning which we have been waiting for. We have been waiting for these two groups, Fatah and HAMAS, to come together. Their joint actions, like the confluence of two great rivers, will carry us, God willing, to the shores of victory. This is the wish that I convey to your honorable assembly: Do not end your meeting without laying the cornerstone for the reunion between Fatah and HAMAS. Do not end your meeting before charting the one course of action for these two movements, the National Palestinian Liberation Movement, Fatah; and the Islamic Resistance Movement, HAMAS. "Allah may grant you victory or make known His will" [al-Ma'idah: 52]. God has brought these two movements together, and it is our duty, as we discuss the question of the Palestinian struggle, to bring about that major accomplishment, the unity between Fatah and HAMAS. Doing that would strengthen the course of the struggle and fan the fires of the intifadah whose flames shall burn the enemy of God and the enemy of Islam, of Muslims and of humanity.'

"The statements made by 'Arafat's representative, Mr Abu Hisham al-Mazyen, clearly indicate that the Muslim Brothers, as represented by HAMAS, were effective. We want to emphasize to Abu 'Ammar once again that HAMAS, as it assumes the bulk of the responsibility in the intifadah inside the occupied land, is willing to work with all those who are sincere and who want to liberate all Palestinian soil from the sea to the river. We wish to remind Mr 'Arafat that it was HAMAS that alerted him to the dangers of the pressure which was applied to him at America's request by some Arab leaders and Middle East officials to end the intifadah. We wish to remind Mr 'Arafat that it was HAMAS that insisted that 'Arafat not yield to any pressure of any kind. HAMAS made it clear that ending the intifadah would be a grave danger and a threat to everyone.

"In conclusion we say that, God willing, leaders of HAMAS, the Islamic Resistance Movement, will continue their uprising with the masses of Muslims in the occupied land. None of the pressures which the enemies are trying to carry out will succeed. 'But whoever helps Allah shall be helped by Him. Allah is powerful and mighty'" [al-Hajj: 41].

In the statements that were published on 7 March 1989, Mr 'Arafat declared that what was attributed to him about some Palestinian organizations was inaccurate. Because these statements were not enough to clarify what was the truth, AL-MUJTAMA' went to Mr 'Arafat to take up this matter with him and to ask him some general questions.

[AL-MUJTAMA'] Some Kuwaiti newspapers quoted you making statements which contained insinuations against the Muslim Brothers, against HAMAS and against the Social Reform Society, although it is known, as you know, that you have much respect and appreciation for the Muslim Brothers and for HAMAS as well. To what extent was what the newspapers printed truthful?

[Abu 'Ammar] The insinuations against the Muslim Brothers, HAMAS, and the Social Reform Society which were printed by some Kuwaiti newspapers and attributed to me are absolutely unfounded. I had nothing bad to say about them at the meeting, and my fellow Arabs, the Kuwaitis and Palestinians, who were at the meeting will testify to that. On the contrary, I talked to them about the marvelous coordination between Fatah, HAMAS, and the unified command in our occupied land. This coordination is being carried out splendidly on all levels, thank God. I also talked about the beneficial and splendid role that was played by our righteous brother Abu Badr and about the fact that what he did strengthened this unity between HAMAS, Fatah and the unified command. I also talked about the efforts that he made—and we are grateful for those efforts—as well as the assistance he received from a number of righteous Muslim Brothers in more than one place inside our occupied land. I was very upset when I read what the newspapers had printed. That is why I immediately corrected this situation. I gave an interview at the airport to the Kuwaiti News Agency as I was leaving Kuwait. Thank God that my relations with my brothers in HAMAS and in the Muslim Brothers are strong enough not to be affected by a statement here or an article there.

[AL-MUJTAMA'] There is news that a Palestinian delegation headed by Abu Iyad is about to travel to Damascus to conduct reconciliation talks. What lies behind this reconciliation, and how far has it gone?

[Abu 'Ammar] I wish that were the case. We do not want to start a battle with Damascus, and we are trying everything we can to improve relations with the Syrians despite everything that happened. They stormed Sabra, Shatila and al-Burj even while the intifadah was going on. And yet, we do not want to have a fight with them.

That regime, however, does not want that. I recently called for a meeting of the five-member, Arab committee whose members would be affected by the international conference. The members of that committee—Egypt, Jordan, Syria, Lebanon, and the PLO—are the countries around Israel whose land is occupied. But the Syrian position remained unchanged. I wish there were a Palestinian delegation going to Damascus, but this news is not true.

[AL-MUJTAMA'] The Palestinian question and the Lebanese question are connected. Do you think a solution to the Lebanese question is imminent, and do you think it will come before a solution to the Palestinian question?

[Abu 'Ammar] A complete solution for Lebanon is non-existent, but there is a partial solution to the Lebanese question. When the Arab League chose six members to serve on a committee that would try to find a solution to the problem in Lebanon, we tried to see to it that none of the parties involved in Lebanon would serve on that committee. Should this committee succeed in electing a president under its sponsorship and its auspices, then part of the solution to the Lebanese problem would have begun. However, a solution to the Lebanese problem as a whole is linked to a solution to the Middle East question.

[AL-MUJTAMA'] The Arab Cooperation Council and the Magreb Arab Union (UMA) are two events that are new and to some extent surprising. How would you evaluate these two events, and what has been their effect on the Palestinian question?

[Abu 'Ammar] We consider them sources of power for our Arab nation, just as we considered the Gulf Cooperation Council a source of power for the Arab nation. We in the PLO and in the Palestinian Revolution consider ourselves members of all these associations. We consider ourselves members of the four-member grouping, the Maghreb grouping and the Gulf grouping as well.

## BAHRAIN

**Foreign Assets of Commercial Banks Recorded**  
44000510c Manama GULF DAILY NEWS  
in English 26 Apr 89 p 11

[Text] Manama. The net foreign assets of the island's commercial banks stood at BD695.8 million at the end of 1988, according to Bahrain Monetary Agency (BMA).

The total represented a 20.7 percent increase over the third quarter of the year, said the BMA.

Foreign liabilities at the end of 1988 were BD160.1 million, an increase of 22.4 percent over the third quarter. Meanwhile, credit to the public sector stood at BD115.4 million, a fall of BD59.9 million or 34.2 percent over the third quarter.

The drop was mainly in loans to the Government, said the BMA, in its quarterly statistical bulletin.

Private Bahraini dinar deposits amounted to BD602.3 million, while deposits in foreign currencies were BD320.3 million.

Meanwhile, the assets of the island's offshore banks reached \$68.1 billion (BD25.7 billion) at the end of 1988.

This was an increase of 4.8 percent over the September figure, said the BMA.

Deposits from Arab countries reached \$42.2 million (BD16 billion) while regional currencies formed 10.7 percent of the total assets and 15.2 percent of the total liabilities.

## EGYPT

### AL-SHA'B Dissatisfied With US Aid Package After Mubarak Visit

45040328A Cairo AL-SHA'B in Arabic 18 Apr 89 p 4

[Article by Fikri 'Abd-al-Muttalib: "Conflicting News About Washington Talks. Stepped-up Intervention in Our Economic Policy"]

[Text] Statements by Egyptian officials about the economic results of President Mubarak's visit to the United States have been contradictory, thus raising doubt and confusion in political circles vis-a-vis the American administration's response to Egyptian demands.

While Minister of Administrative Development Dr 'Atif 'Ubayd [title as published] declared during and after his return from Washington that the Bush government had approved the utilization of frozen debts in the amount of \$950 million to finance a number of vital projects, a responsible source in the International Cooperation Ministry emphasized that these loans are not tied to the American aid program to Egypt but belong to the World Bank, which has decided to suspend them in accordance with International Monetary Fund [IMF] instructions until Egypt reaches an agreement with it, as the responsible source put it!

Moreover, information differed about the value of the increase in American food aid to Egypt. Minister of International Cooperation Maurice Makramallah said that an additional easy-term loan has been opened for Egypt in the amount of \$15 million to buy 1 million tons of wheat and quantities of flour. Minister of Administrative Development 'Atif 'Ubayd stated that an agreement has been reached to purchase 2.5 million tons of wheat and 300,000 tons of flour with facilitated payments while an official press report said that the value of the loan is no more than \$100 million to be paid over 3 years.

In addition, American Department of Agriculture officials affirmed that the type of loans designated for the purchase of wheat and other food products is still under study, something observers believe is a kind of deliberate dawdling on the part of the American administration in an effort to apply pressure on Egypt and take advantage of its difficult position of having to procure its wheat needs from abroad amid the absence of credit facilities or aid, according to Vince Peterson, who is representing a group of American wheat dealers.

AL-SHA'B has learned that the additional loan the United States has approved for the purchase of wheat is not part of the easy-term loans that are benefitted by Farm Surplus Law No 480, for it is an American government guaranteed loan to be paid over 3 years at a relatively higher rate, and this is what certain competent government departments oppose!

In this regard, an Egyptian economic report said that American participation in agricultural development projects in Egypt has not exceeded 11 percent of the total American economic aid package to Egypt for the last 14 years at a time when the second development plan (1987-1992) aims at reclaiming 750,000 feddans, an activity shunned by both local and foreign investors!

Responsible sources say that the United States is asking the government to sell government property such as agricultural land, real estate and residential and buildings to the private sector to use the proceeds for land reclamation and cultivation.

Concerning the \$280 million in financial aid the American administration froze in 1988 and 1989, the sources said that President Mubarak's endeavors to get them released have been successful, as the Ministry of Foreign Affairs announced last week. Its communique included, however, the need to consult with Congress to work out the pertinent details and this has raised the fears of government circles that such consultations would delay the resumption of this aid, something observers consider likely given Congress' previous position calling for a delay in lifting the ban on such aid until Egypt takes greater steps in economic reform in accordance with the terms of the IMF and the American Agency for International Development!

In this context, the American administration was not enthused over Egypt's request to modify the use of money earmarked for specific projects for the economic sectors in such a way as to guarantee freedom for the Egyptian decisionmaking process in determining the types of projects that must be financed.

Sources said that American officials preferred to form a joint committee to undertake discussion of economic and financial topics and to offer solutions to any current or future problems or tight situations. Observers characterized this action as an attempt to step up direct

American intervention in the conduct of Egyptian economic policy and as a way to intensify its support of the IMF in its talks with Egypt!

Concerning the special demand to increase commodity importation program allocations from \$200 to \$300 million provided that the public sector gets the bigger share, the American administration was not in favor of it, stipulating that any increase in the program must go to the private sector.

Commenting on that, a responsible official told AL-SHA'B that financial allocations for the private sector are more than enough while public sector needs are on the increase, particularly in the industrial field that has not received any allocations in the aid program for several years!

The source expressed his astonishment over the American position, since most private sector needs are produced by the public sector, such as aluminum, textile, iron, steel and other materials!

The Ministry of International Cooperation prepared a report on the American aid program in Egypt, in which it disclosed that over 71 percent of the total aid has been channeled to projects that do not generate foreign currency, thus adding to the burdens of the Egyptian treasury!

It is noteworthy that Egypt's total debts to America amount to \$20 billion, almost twice as much as the \$10.4 billion in aid Egypt has received from the United States in the last few years. Moreover, the annual payment due to Washington this year is equal to the value of annual economic aid.

#### **Communist Party Members Arrested After Distributing Statement**

45040328B Cairo AL-SHA'B in Arabic 19 Apr 89 pp 1,3

[Text] The Supreme State Security Prosecutor's Office, under the supervision of Justice 'Abd-al-Majid Mahmud, the attorney general, is continuing its investigation of the case pertaining to the Egyptian Communist Party [ECP] leaflets. The State Security Investigation [SSI] last Thursday morning arrested eight citizens from Alexandria, al-Mansurah, and Shubra al-Khaymah on the charge of distributing leaflets put out by the ECP.

That same day, these citizens were brought to the Supreme State Security Prosecutor's Office in Cairo, where they were confronted with a leaflet under the title "Let the People Protect their Bread," affixed with the signature of the Central Secretariat of the ECP. They were charged with possessing and distributing this leaflet; inciting the masses; criticizing the country's social and economic policies; agitating against the parties; and demonstrating for the purpose of bringing down the regime. It ordered them jailed for 15 days pending investigation and the lawyers were not able to attend the interrogation.

The detainees are: Ayman Hammudah, Hani Jamal, Jamal 'Ali Hasan, Shihab Hasan (Alexandria), Salah 'Abd-al-Muttalib, Sayyid Fathi (al-Qalyubiyah), Mustafa Majdi al-Jamal, Badir al-Shadhili (al-Mansurah: local council member in east al-Mansurah and owner of a bookstore that has photocopiers). The SSI took away two copiers and left the third one at the bookstore.

The communique they are accused of distributing had reached a number of citizens in Cairo, Alexandria and the northern Egypt main towns, as well as newspapers and labor and professional unions.

The communique called on the citizenry to resist higher bread prices through mass demonstrations; collection of signatures and petitions to be sent to the officials and opposition newspapers; protests via labor and professional unions and clubs; the holding of seminars and public conferences; and the staging of sit-ins, demonstrations and strikes and protecting them against infiltrators and saboteurs.

Justice 'Abd-al-Majid Mahmud stated that, during the investigations, the defendants denied possession of the captured leaflets and documents that point to their having had contact with the banned ECP.

Therefore, the prosecution decided to appoint a technical advisor to examine the captured photocopiers and to commission the forensic medicine office to examine the defendants' handwriting to determine their responsibility for the seized material.

#### **Shura Council Head Blames Economic Woes on Wars, Overpopulation**

45040306A AL-AHRAM AL-IQTISADI  
in Arabic 3 Apr 89 pp 44,45

[Interview by Nihal Shukri with Shura Council Chairman 'Ali Lutfi: "They Say Government Underutilizes Human Resources; I Say Humans Alone Can Not Boost Production"]

[Text] Dr 'Ali Lutfi began by restating the facts: "Yes, prices are high. There is unemployment and there is a price-wage imbalance. The roots of these problems go back to previous eras, and especially to the wars that we fought. One generation has suffered through four wars.

"An impartial study estimates the financial cost to Egypt of those wars at 100 billion pounds. One generation spent that huge sum prior to the war to prepare for it, as well as during the war and in its aftermath. Can you imagine how much economically better off Egypt would be had that money been spent on infrastructure or development? That huge sum is three times the amount of the external debt, and all that was borne by only one generation.

"You see, therefore, that wars were the main reason [for Egypt's economic woes]. A second important factor is the tremendous rise in population. Egypt's population has doubled over the past 25 years and each newborn is a burden to the national economy. The population, now at 54 million, has increased by 2.7 percent annually. A new nation is born to us every year."

Dr. 'Ali Lutfi says it is misleading and incorrect to say that the government has not properly utilized human resources. "We need the human element but it, by itself, is insufficient for production. Capital is also required and this is a factor in short supply. 450,000 Egyptian young people reach the working age annually and it would cost 20,000 pounds to provide each of them with a productive job opportunity."

"It was president Mubarak's destiny to take charge of the government in 1981 under difficult conditions and he shirked no responsibility. He was fully aware of the situation even before he became president. He convened in February of 1982 an economic conference attended by 37 economists and scientists of various political leanings. I participated in that conference in my capacity as minister of finance at that time. The president listened to a lot [of viewpoints] at that conference. There was agreement on certain points and disagreement on others. One of the most important points of agreement was to promptly restore the practice of national planning and draw a new 5-year plan. These are the first and second plans."

[Dr. Lutfi] adds that there were tremendous problems then because they had accumulated. "It was imperative to institute a program of economic reforms and I was charged in 1985 with drawing up such a program."

"Increased productivity was the basic foundation of the program. This is no slogan, but a matter of life and death. All our economic problems can only be solved through increased productivity. Land reclamation is presently the major issue in Egypt. The objective of the current plan is to reclaim 200,000 feddans. Traditional solutions are inadequate because our problems are untraditional. New approaches were needed to boost production and realistic policies were adopted for the first time."

"I believe that the most important task of the National [Democratic] Party [NDP] is to get rid of waste everywhere and lay down policies to bring an end to it."

"The industrial sector is huge and comprises 117 companies with output valued at 11 billion pounds. A limited number of companies have operating losses. Some have bad managements and I believe the solution is to replace their boards of directors. Others suffer from flawed financial structures and the solution lies with the ministry of finance. Various solutions adopted in this regard have reduced the number of losing companies."

Dr 'Ali Lutfi says that it is the policy of the NDP to encourage both public and private sectors. Specifically, its policy to encourage the private sector is not dialectical or ideological, but an issue of national interest in the productive sector rather than the parasitic one. By this, we mean the Egyptian, Arab, and foreign private sector, as long as it creates productive job opportunities and provided its objective is to boost production rather than to speculate.

Dr 'Ali Lutfi pointed out that the economic reform program calls for a gradual reduction in electrical consumption from 16 percent to 10 percent annually [as published] by instituting progressively escalating rates. "This is a fair program that stabilizes electrical costs to those on fixed incomes."

Another policy objective is to diversify sources of energy by building solar and nuclear generating stations. Tender specifications had already been prepared when the Chernobyl accident took place and president Mubarak issued a decree putting the project on hold.

Dr 'Ali Lutfi emphasizes that high prices are the result of the state budget deficit. This underlines the importance of government rationalization. The solution also entails increasing revenues by putting an end to smuggling and tax evasion. The party has an important role to play in this regard by raising tax consciousness and eliminating passivity towards it.

As to the balance of payments deficit, Dr. Lutfi explains that our current exports are valued at 24 billion pounds and imports at 8 billion pounds [as published]. The solution lies in rationalizing imports. "Rationalization committees, which I used to call torture committees, have been eliminated. A new list of customs tariffs was introduced in 1986 whereby essential goods are differentiated from luxury [imports]. All restricted imports are now listed together. Other important decrees issued in 1985 target a uniform exchange rate, but this is something that can not be accomplished overnight. The decrees have been partially implemented and there is more to come."

Commenting on rumored IMF interference in Egyptian economic policy, Dr. 'Ali Lutfi says we have external debts that are now due. Even though Egypt respects its obligations and commitments, it wished to postpone repayment and reschedule the debts because of circumstances beyond its control, such as the collapse of oil prices over the past few years, developments in the Middle East, shrinking tourism, and lower foreign exchange revenues. The IMF has the task of reviewing Egypt's economic reform program to determine its ability to repay its debts.

He asserts: "Nobody is forcing us to do anything. Egypt has prepared a [reform] program suitable to its circumstances. Disagreement arises because the IMF wants us

to speed implementation of the program but Egypt can not do so because it wishes to protect those on fixed incomes and to prevent further price escalations."

Dr 'Ali Lutfi's plea to NDP leaders and junior members, and to all Egyptian citizens, is to endure the problem together until we reach a safe harbor through cooperation, solidarity, and diligence.

**Economist Envisages Life Without U.S. Aid**  
45040306B Cairo AL-AHRAM AL-IQTISADI  
in Arabic 3 Apr 89 pp 22-24

[Article by Dr Hazim al-Biblawi: "The Egyptian Dichotomy: Political Power and Economic Weakness"]

[Text] Two basic facts will hold true over time.

First, no country will extend aid to another indefinitely.

Second, Egypt has the unique distinction of being politically, or strategically, in a position of strength which explains why it has been able to obtain foreign aid in general and why the level of that aid has remained constant despite pressures to reduce it. On the other hand, it should also be pointed out that this situation is bound to change. It is not natural that the dichotomy between relative political strength and economic weakness continue forever. Policymakers must therefore keep two things in mind.

First, anticipate that aid is bound to be discontinued.

Second, work to bridge the gap between economic weakness and political strength.

Since this can not be accomplished overnight, they must utilize aid whenever they can, provided the dichotomy is not aggravated further. While it helps the recipient, aid is also undoubtedly used to further the interests of the donor, but this is no reason to reject it. Rather, it should be put to use and even more aid should be sought whenever possible.

The mistake is to use aid as an opiate or sedative for treating economic ills. There is no doubt that U.S. aid has been of great economic benefit to Egypt, but of far less than the figures would indicate. Its value in real terms is much lower than its nominal value because a good portion of aid allocations has been necessitated by aid itself. In other words, a large segment of aid goes to cover the costs of its administration.

Dr Hazim al-Biblawi was asked about the impact of recent Middle East developments on Egypt's political position, which he says qualifies it to receive foreign aid. In other words, would the opening of direct channels between the U.S. and the PLO weaken Egypt's political prominence?

Dr al-Biblawi rejected that thesis because Egypt's strategic position that qualifies it for aid, is an amalgam of its

population of 50 million and its great cultural influence on Arab and Muslim countries and, to a lesser degree, on African nations as well. This influence, however, diminishes whenever validity diminishes, generally because of economic non-performance. This holds true in Egypt's case, where the great influence it exerts on Arab countries because of its cultural and educational superiority tends to diminish as a result of economic weakness.

And yet, its strategic position endows it with attractive advantages that transcend mere differences and rapprochements. In other words, its cultural standing will not change whether the U.S. has a direct dialogue with the PLO or not.

At any rate, I believe that aid will eventually disappear, not over the medium or short range, but in the distant future. The proof is that despite strong pressure in the United States to diminish the budget deficit by reducing aid, and even though the U.S. has actually cut its aid to many countries, it will not change its level of assistance to two nations—Egypt and Israel.

While peace occasioned an expression of Egypt's strategic importance, the potential of reduced aid as a result of peace presents us with two alternatives.

First, if aid were indeed tied to peace and would be reduced as a result of a Middle East settlement, then it would also be reduced to Israel. This is not likely.

On the other hand, it may be said that Egypt is using Israel as a hostage in order to keep aid coming. In this scenario, the United States could reduce aid to both countries but Israel would suffer a smaller cut than Egypt, which would still receive assistance because of its intrinsic value. Reduced aid is not a probability because the [resulting] instability in Egypt would pose a great threat to the whole region.

What would happen if that distant possibility became an actuality? Dr al-Biblawi says that regardless of U.S. aid or other means of covering the payments deficit, a country that aspires to a better future should not persist in such a flawed position. In all fairness, however, it should be noted that this situation, with its many reasonable and less reasonable causes, will not disappear overnight and it would be natural to expect the state to establish a time frame for achieving the desired balance. This is a goal that could be achieved over 10 years at maximum, or it will not be achieved at all. At the very least, Egypt's goal should be to stimulate enough domestic savings to cover domestic investments. This sort of balance can be accomplished in two stages.

First, a fundamental stage where savings match investments and exports balance imports.

The second, or completed, stage is when exports cover both imports and debt service. At a time when we suffer

an annual deficit of 5 million, the least the state can do is mobilize all its resources to achieve a balance in external transactions.

In any case, the threat of reduced aid would have to be the result of two situations: The donor wishes to use aid as leverage to gain certain advantages, in which case we will most probably comply; or the donor is truly unable to continue aid at the usual level and we will have to face all the destructive effects of a reduced national income.

The balance objective must be pursued on the assumption that aid will cease within ten years at the latest and that alternatives to it must be found. Take the example of South Korea, which celebrated a month or so ago the retirement of its external debt. This is the country that was in 1980 among the five largest debtors of the third world. Nine years later, it has turned into a creditor nation.

If Korea and other countries of the world can accomplish so much in such a short time, why can't we?

Dr Hazim al-Biblawi's response is that each country has its own singular way of achieving balance. Some go about it via productivity, others through capital. It will be a long time in Egypt before exports play their desired role. It would probably be better for us to go about developing savings and investments in order to ensure our development and economic policies. Potential savings and investment by Egyptians at home and abroad and by Arab residents in Egypt should be enough to cover the primary deficit causing Egyptian economic imbalance.

Substantial progress could be accomplished in balancing capital, savings, and private investment. Egypt's huge debt coincided with the immigration or non-repatriation of Egyptian funds to help cover a portion of the debt. We have made mistakes in the past that should be rectified in the future.

There are those who advocate self-sufficiency as a solution to the crisis. Would that be a valid alternative?

Dr Hazim al-Biblawi believes that we must first understand Egypt's economic position. While it has more ties to the outside world than any other country, Egypt is very poor in natural resources and in technology. It is open to the world and is accepted by it.

Egypt is not the Soviet Union or Brazil or India or the United States. Those countries are continents with vast natural resources, scientific bases, and technological know-how. They could, if they so desired, become self-sufficient and develop distinctive economies no matter what the price. Egypt, on the other hand, lacks all of that. It enjoys an advantageous location that connects it to the world, is culturally and educationally influential, and has historical ties to the most important future bloc—Europe. Its human resources are much more developed than its natural resources and technological expertise. It

has no future except in a climate of free economy that fuses with the world while it is dedicated to serve Egypt's interests.

### Consumers Complain About Prices During Ramadan

45040289C Cairo AL-SHA'B in Arabic 21 Mar 89 p 10

[Article by Ashraf Khalil: "Some Prefer Illicit Gains in Ramadan"]

[Text] A study conducted recently by the Nutrition Institute confirmed that the average living expenses of a family of five amount to 132 Egyptian pounds a month for the subsistence level of nutritional needs.

The same study indicated that many food items no longer find their way to the Egyptian household, including milk, various kinds of cheese, meats and fruits of all kinds.

The holy month, during which the Koran was revealed, is approaching and images of illicit gain and plundering of people's food are on the increase. In the face of prices imposed by the black market, people reach into their pockets wondering whether with their limited incomes they can put food on the table for their families or whether they have to return home without meat, vegetables and fruits which they cannot afford to buy. Homemakers are doing the impossible in order to solve this difficult equation, caught between the spending money the head of the household provides and the figures posted at the markets in al-Nasiriyah, Giza, 'Atabah and Sayyidah Zaynab.

Upon learning that I am an AL-SHA'B reporter, one lady sincerely expressed her belief that our reporting on astronomical prices can sensitize the government to the concerns of simple folk.

"Write, son, in the newspaper that Italian eggplant costs 140 piasters a kilogram? Squashed tomatoes cost 80 piasters, peppers 160 piasters and white beans 220 piasters a kilogram."

Another lady joined in by saying:

"My children are dying for Jew's mallow [mulukhiyah]! Who can believe that a kilogram cost 8 Egyptian pounds, not counting the lamb meat!"

When homemakers who shop at the 'Atabah market gathered around me, the market's foreman stepped in to break up the "crowd of wrath," sneering: "Those who have money can buy and those who do not do not need to buy. We, like the government, are at the service of the people."

In front of the consumer cooperatives are lines of poor people jostling to buy fried or broiled fish. One person waiting in line said: "A kilogram of fish now costs 175

piasters, up from 155 piasters. Is a 15 percent increase reasonable?! If the government cooperatives themselves are scalping us in this manner, who is going to protect us from greedy merchants?" 'Abd-al-'Aziz al-Sayyid (lawyer) directed his words at me: "Egypt is the country of the Nile and our fish wealth is great, but nothing has happened. How does the government explain such high fish prices?" He added: "With repeated government failure to grapple with the high inflation puzzle, the citizen has fallen prey to the powers of exploitation. There are many examples such as spoiled food all over the place which people buy because there are many hungry bellies that have to be satisfied with anything. That is all!"

I went into a fava bean eatery. I had 4 pieces of ta'miyah, a dish of fava beans, salad and two loaves of bread. The bill was 95 piasters! The restaurant owner justified this inflation by saying: "The price of crushed fava bean has gone up to 130 piasters a kilo and oil is priced at 235 piasters. Should we sell at a loss?"

#### Najmah (Star) Spaghetti Disappears

In front of a grocery store the following conversation took place between a young lady and the vendor:

[Young lady] Do you have "Najmah" spaghetti?

[Vendor] No. I have "Capri" and "Muhandis" spaghetti.

[Young lady] How much?

[Vendor] 75 piasters for a half-kilo bag.

[Young lady] What about the Najmah spaghetti?

[Vendor] You can't find it anywhere in Egypt.

I interrupted her indecision and hesitation to buy and she said: "As you have heard, we cannot win for losing." She added: "The Najmah spaghetti used to sell for 30 piasters a kilo. The price went up to 65 piasters and we said fine. Now it has disappeared from the market completely and to buy the Capri spaghetti for 150 piasters means that the price of spaghetti has gone up five times in one month!"

I saw a lady folding her empty bag as her 4-year old son held onto the end of her long dress. I approached her and she said: "After going all over the market, I do not know what to buy. It is 2 pm and my husband is due back from work shortly and the children are back from school. I would buy domestic cheese for 160 piasters, but it takes salad and a single head of lettuce costs 2 piasters, tomatoes cost 80 piasters and a lemon costs 10 piasters." When I asked her if she was ready for Ramadan, she said: "This is what the government is good at. They kept saying that Ramadan is a month of extravagance, extravagance to the point of fasting all year long. Kirkadah [a

drink made from flowers] costs 15 pounds. Be happy, we are not going to make cake because a sack of flour costs 75 pounds."

I left the market without buying anything to record this outcry that is not the first and will not be the last. And to ask the "super pashas" in government to wake up, we say: "It got so straight that its ropes pulled tight," [i.e., the noose has been drawn too tight.] We will not finish the second half of the verse until further notice!

#### CMA President Discusses Categorization of Investment Companies, Next Steps

45040316b Cairo UKTUBAR in Arabic 16 Apr 89 p 17

[Article by Muhammad Nijm: "CMA President Says Companies Were Not Prevented From Returning Funds or Issuing Dividends"]

[Text] Where do we stand on the issue of refunding investments or distributing dividends to depositors of investment companies?

Some 400,000 investment company depositors are perpetually hungry for any bit of new information or statement by officials or others dealing with this issue.

The following interview with Muhammad Faj-al-Nur, president of the Capital Markets Authority [CMA], answers several questions of deep concern to 400,000 depositors with those companies.

[UKTUBAR] Where does CMA stand on companies that wish to comply [with the investment law] or have announced desire to do so?

[Faj-al-Nur] The CMA has so far received 32 briefs indicating desire to comply. Only 21 of the companies presented audited financial statements. Accountants are still going over the books of the remaining 11.

The financial statements are first scrutinized by the CMA to determine if they were properly prepared in conformity with laws and regulations. If they were, the Authority permits them to be published in the newspapers.

Permission to publish is sometimes mistaken for approved compliance, which is not true. Permission to publish is granted companies that desire compliance as well as those that do not. Publication does not indicate compliance.

Financial statements are published the way they are prepared by the companies and audited by chartered accountants with absolutely no interference by the CMA.

Companies and whose statements have been published and that wish to comply must submit a "registration and

establishment" form and must complete compliance within a year from the issue date of the executive ruling that expires 9 Aug 89.

A company that does not finalize compliance within that time period must return depositors funds within a year from the above expiration date.

The authority must act on such applications within 60 days of receipt. Its decisions are based on thorough studies by its technical departments of company subsidiaries and affiliates that received previously deposited funds. These computerized studies also determine the volume of deposits, the number of depositors, and the textual content of the bonds to be issued.

If the Authority decides to approve compliance, the company becomes an Egyptian stock corporation [SAE] under law number 146 of 1988.

If the decision is not favorable, the company could appeal to the authority's board of directors through the minister of economy. Should it win the appeal, the company could organize and operate according to law. Otherwise, it could take its case to the administrative courts. A judgement against the company means it must refund depositors' funds within a specific time.

Companies with published financial statements that did not comply must submit to the CMA a schedule for refunding deposits which, by law, cannot extend beyond two years. The schedule is then studied by the CMA to determine its suitability to the company's financial position as audited by accountants. If it is not, the proposal is returned to the company for refinement. The new schedule is then published to inform depositors of the actual condition of the company and of the dates when their deposits are due back, assuming, of course, that the company will abide by its own schedule.

[UKTUBAR] Does this mean that companies are not allowed activity during the current "period of compliance?"

[Faj-al-Nur] No. Companies may remain active as long as their assets were not sequestered by the attorney general. Even then, they may resume normal activity with oversight by the receivership bureau of the attorney general's office.

The CMA does not inhibit a company's day-to-day activities, such as buying and selling goods and making or withdrawing bank deposits. The company is entitled to return to depositors their rightful funds as long as it does not discriminate among them.

To put it more clearly, the Authority does not prevent a company from returning depositor funds to those who request them or from declaring dividends if available. A

circular detailing the above has been circulated by the Authority to all concerned companies, banks, and other institutions.

However, these companies are enjoined during the "compliance period", under penalty of law, from accepting new citizen deposits until they have reconciled their affairs and resumed normal activity by accepting funds against investment bonds whose value is set by law at 10 times paid capitalization. It is possible, with permission of the minister of economy, to accept new funds during the compliance period, but that is the exception.

The wisdom of the law requiring an accounting by the companies of their financial position on 10 Jun 88, the day of its issue, is to make known the true condition of the company and the soundness of its finances.

Naturally, a company would not be allowed to receive new funds during the compliance period until after its finances have been scrutinized and judged adequate for the resumption of normal activity.

[UKTUBAR] It has been rumored, Dr. Faj-al-Nur, that the authority prevented certain companies from refunding deposits or paying dividends during the compliance period.

[Faj-al-Nur] There is absolutely no truth to this rumor. Under the law, the authority can come between a company and its depositors only if some were given undue advantage or if the company engaged in practices injurious to depositors, such as speculation or sales of assets.

[UKTUBAR] What about al-Rayyan? It was rumored that the government, on the occasion of the ['Id-al-Fitr] holiday, would release 2 percent to each depositor.

[Faj-al-Nur] The attorney general has sequestered al-Rayyan company assets. A committee of the Bureau of Financial and Commercial Affairs is currently making an inventory of all financial assets. I believe its work is nearing completion, at which time, the attorney general's office will shed light on the company's true situation.

[UKTUBAR] I learned that, so far, sequestered funds have amounted to 350 million pounds, or about 14 percent of total deposits with the company.

[Faj-al-Nur] I do not know if these figures are correct because the committee has not yet submitted its report to the attorney general.

The government, on the other hand, must have possession of funds before it can release them, and this is not yet the case. Questions of who gets paid and how much must also be determined. We have asked depositors to send proof of their deposits and were surprised to find that some have submitted claims for funds they have already withdrawn. Surprisingly, company books have not recorded some of these withdrawals!

[UKTUBAR] Dr. Muhammad, let's go back to companies that requested compliance but have not yet submitted audited financial statements. Couldn't the accountants be responsible for the delay?

[Faj-al-Nur] The Authority is constantly following up with those companies and with chartered accountants to urge the early presentation of certified [audited] statements, especially since the deadline for compliance is rapidly approaching.

At any rate, companies in violation have already been referred to the Bureau of Financial and Commercial Affairs for action.

[UKTUBAR] But these companies are similar to al-Rayyan in that they did not submit audited financial statements during the period proscribed by law. Yet, al-Rayyan was treated differently. Why?

[Faj-al-Nur] That is not true at all. All violating companies were referred to the pertinent prosecutor. However, al-Rayyan and its managers had moved to sell company assets to the detriment of depositor interests. This prompted the attorney general's decision to sequester the assets.

**Editorial Questions SLP Status as Religious Party**  
45040316a *Cairo AL-MUSAWWAR in Arabic*  
7 Apr p 55

[Editorial by Raja' 'Abdallah: "Parties and Platform Changes"]

[Text] The Party Law frustrates any attempt by a new grouping to gain the right to create a new party. The Party Committee has rejected many applications in order to maintain the status quo of only five legal parties.

Perhaps the most important of the several restrictions imposed by the Act in the interest of national unity is that a party should have no religious character.

But what does the law say if a party changed its direction and announced new principles totally different from those on which it was originally founded and legalized?

We bring this up because of current developments in the [Socialist] Labor Party [SLP], which started out as socialist then, occasioned by recent elections for the People's Assembly, became a socialist-Islamic coalition that has now turned into a purely religious party after the religious tide inundated the founding members who still reject the new setup.

The party's direction is now totally changed. Regardless of whether the decision was democratic, and regardless of it was by member choice that the change took place, the question still remains: How does the law look upon this change of direction?

Some would say that the party has not changed its original platform which legitimized it and the law would therefore have no reason to object to the party's new setup.

The answer to that is that the platform is merely words that bear no relationship to fact and to announced practices. The party organ is proof and so are the party's recent election slogans which were purely religious in nature and totally devoid of any socialist tinge.

If the SLP, by resorting to that ploy, has indeed succeeded in creating a direct partisan presence for a religious group, what would prevent another legal party from opening its doors to a different group to help it become a new reality in spite of the law? We do not object to a party for the religious group but rather to the method used.

Will existing parties turn into mere licenses for hire allowing stealthy entry into the partisan arena to all those the law was keen to exclude?

If there is nothing wrong with this devious path, then let us simply abrogate the Party Act and equally allow the creation of parties representing all current trends in Egypt. This would be preferable to resorting to devious means or advertising a party for sale or hire to the highest bidder!

## IRAQ

**Foreign Participation in Military Exhibition Listed**

44000527 *Baghdad BAGHDAD OBSERVER in English*  
3 May 89 p 2

[Text] Baghdad, May 2—The First Baghdad International Exhibition for Military Production concluded on Tuesday. The exhibition showed up-to-date arms produced by 200 firms representing 28 countries.

The Exhibition also included an international air-show by nine countries. Modern aircraft such as the Soviet-made Sukhoi and MiG-29 and the French-made Mirage 2000 and Alfajet took part in the show.

On Tuesday morning the Exhibition was opened for specialists, delegations from the 28 countries and media correspondents.

Among participants in the Exhibition is Indonesia. This is the first time that Indonesia has taken part in an international military exhibition, said public relations manager of Nasantara Aircraft Industries (IPTN), Mr Suripto Sugordo.

Indonesia put on show aircraft which can be used for both civilian and military purposes.

The most interesting plane is the CN 235, the plane can carry 30 full-equipped paratroopers.

Other models of aircraft on show are the NC-212 and CN-235. Both are transport planes which can be civilian and military.

On show also is a model of the Indonesian NBO-105 helicopter.

Mr Sugordo lauded the way the Baghdad fair military exhibition was organised.

Thirty-three French firms showed their products on total of 2,000 sq.m. indoor and 600 sq.m. outdoor areas.

French participation is the biggest after Iraq's pavilion. Hundreds of items are on display ranging from small communications systems to tanks and jet fighters.

Coordinator of the French participation in the Exhibition, Ms Carole Depuy said that this is the largest French participation in military exhibitions in the Middle East.

A group of Italian firms are represented in the Exhibition. On a total of 200 square metres Melara Club is showing a variety of products mainly models of ships, combat systems, missiles and guns.

Mr Sergio J. Castagnoli, Director General of Melara Club, told THE BAGHDAD OBSERVER that 28 Italian firms are represented in the Club.

These firms also produce merchant and passenger ships and oil platforms. They sell ships to various countries.

The group took part in many international exhibitions. Recently they participated in Egypt's military exhibition and they are going to take part in an exhibition in Turkey.

AGUSTA group represents 18 companies. The group is displaying models of military and civilian helicopters, planes and aerospace systems.

Attilio Pietrangeli, Director of the group's stand in the Exhibition, said that AGUSTA sells helicopters for transport to many countries in the Arab world. They participate almost in all air shows and trade exhibitions held around the world.

The group took part in exhibitions held in Greece, Singapore, Egypt among others. They will take part in Ankara military exhibition this month.

IVECO Fiat company is also represented at the Exhibition.

The only item on show is a military ambulance. However, IVECO produces a wide-range of trucks, engines, buses and special vehicles.

The company's Defense Division produces special military trucks that are used for tactical and logistical purposes.

The marketing manager of IVECO Mr Sandro Meini said that the Baghdad Military Exhibition is well organised. "It reflects the high level of technology that Iraq has acquired during the last few years."

Other Italian companies in the pavilion include Marconi Italiana, SMA, Ansaldo Sistemi, Oto Melara, Riva Calzoni, Whitehead, Elmer and others.

Five Polish companies are exhibiting their products on a total area of 130 square metres indoor and 15 square metres outdoor.

The products include military uniform, medical equipment, models of agricultural helicopters, spare parts and others.

Poland produces agricultural planes M12. They are used in Iraq for agricultural purposes, for fighting locusts and for training.

China is represented in the Exhibition by one company, China North Industries corporation NORINCO.

On a total of 280 square metres the company displays models of tanks, armoured personnel carriers, armoured infantry vehicles, a trench digger, self-propelled howitzers and guns, anti-tank missile systems, anti-tank rocket launchers, ground-to-air missiles, grenade launchers, fuel air explosive bombs and others.

This is the first time Romania has taken part in an international military exhibition. The total size of the Romanian pavilion is 100 square metres.

The products include 5.45 mm submachine-gun with 40-mm grenade launcher.

Two Spanish key firms of military production are taking part in this world demonstration of military products. These two firms are Expal and Casa. Expal has specialised in developing land, air and heavy military equipment since 1945.

This company, which is the major supplier of the Spanish Defense Ministry, is also a key exporter of military products to Europe, Latin America, Africa and Asia. Its items include a variety of aircraft bombs like VR, BRP and BME cluster bombs and deliver bomb BIN.

It manufactures simulators for training together with mines and hand grenades. It also develops 203-mm gun and 20-mm Falcan anti-aircraft gun.

Casa company, which was established in 1920, develops aircraft for the Spanish Royal Air Force. It also manufactures aircraft doors of fiber glass, in addition to producing cargo aircraft and training jets.

Three Indian firms took part in the Exhibition. The three companies are grouped under one name, Baharat Earth Movers Ltd, Baharat for Electronics Ltd and Baharat Forge Ltd.

The first one manufactures construction vehicles, towed vehicles, containers, bulldozers, shovels and other types.

The second is specialised in producing electronic equipment such as communication systems and military electronic devices which it exports to other countries.

Baharat Forge Ltd devotes its work to research and development of nuclear reactors structure, gas cylinders of satellites and some parts of weapon systems, such as missiles.

Czechoslovakia is participating in the exhibition through an affiliate of its Defence Ministry. Omnipole. This Department is in charge of military equipment for exports. It trades with training jets, small cargo aircraft, automatic artillery, simulator systems, tanks, armoured personnel carriers, rocket launchers, light arms, munitions, radars, and others.

Other activities of Omnipole include maintenance services of aircraft and vehicles.

Four major Greek companies are attending the Baghdad Exhibition for Military Production. These are Hellenic Aerospace Industry Ltd, Hellenic Arms Industry EBO, SA, Hellenic Shipyards Company and Pyrkal Greek pounder and Cartridge Company SA.

The Hellenic Aerospace Company provides maintenance services for military and civilian aircraft in many countries in the world, such as Mirage If-1 and helicopter gunship Bell.

#### **Committee To Probe Complaints by Provincial Candidates**

44000528 *Baghdad BAGHDAD OBSERVER in English*  
3 May 89 p 2

[Article by Akram T. Hassan]

[Text] The National Assembly has formed a 19-member committee to look into objections raised by some candidates to last month's polls in some Iraqi provinces, said Speaker of the National Assembly, Mr Sa'di Mahdi Salih.

Mr Salih told THE BAGHDAD OBSERVER that the committee will listen to the people concerned and probe their complaints.

He said that in case their objections were proved right, elections would have to be repeated in their areas. Otherwise, the results would be considered final, he said.

Mr Salih added that the committee will be acting in the light of rules of procedure which provide for verifying the process of elections and allow for objections. It is quite normal to find candidates complaining in any elections, said the Speaker.

One of the most important tasks of the new National Assembly, which was elected on April 1, will be passing a new permanent constitution for the country proposed by President Saddam Husayn last year, said the Speaker.

Specialised committees are currently working on a draft of the permanent constitution which will be discussed by the National Assembly when completed. Mr Salih said the constitution will need sufficient time for discussion and a good deal of efforts on the part of the Assembly and experts.

He added that the public, the media and people's organisations will also have a say in the new constitution.

The Speaker said other new items scheduled in the current Assembly programme will be the discussion of many laws, including those providing for the formation of new political parties, promotion of democracy and a law giving more freedom of press.

Mr Salih said this year's National Assembly election were marked by more flexible procedures in comparison with the two previous assemblies, particularly as regards candidates. All candidates were given equal publicity opportunities whether members of the Arab Ba'th Socialist Party or not. Members of the ABSP had no privileges in the elections and all candidates enjoyed the same facilities.

The first National Assembly was elected in 1980 and the second in 1984. As for the current Assembly it was elected during peace after eight years of war. The Iraq-Iran war started on September 4, 1980 and a ceasefire took hold on August 20, 1988.

The National Assembly now enjoys greater power and has the right to withdraw confidence from any government official including ministers. It can also draft and ratify laws and regulations including areas related to the country's foreign policy.

The Speaker added that the National Assembly will play an important role in enhancing democratic practices initiated by President Saddam Husayn. The new constitution will allow the formation of a multi-party system and new parties will have the right to be represented in the National Assembly. When new parties are established, the National Assembly would be dissolved and new elections would be held, said the Speaker.

## ISRAEL

### New Drone Competes for US Contracts

44230125 Tel Aviv YEDI'OT AHARONOT  
in Hebrew 16 May 89 p 2

[Text] Israel Aerospace Industries (IAI) yesterday unveiled the "Impact" drone, currently competing for a US government tender. The upgraded drone is the fourth generation of the craft, developed by IAI, and according to experts is the most advanced of its type in the world. The Impact model drone is equipped to carry out intelligence collection missions in real time, and to cite targets for laser-guided weapons. The drone is 6 meters in length, and its wing span is approximately 8 meters. The drone is powered by two engines, one in the nose and the other in the tail. It can carry a 75 kilogram payload and can travel for up to 12 hours. Its maximum altitude is 19,000 feet.

The Impact model drone is being developed by the MALAT factory of IAI ["MALAT" is the Hebrew acronym for "drone"]. The manager of MALAT, Dr David Harari, stated yesterday that the Impact can take off with television equipment, and take infrared photos on night missions, and with a laser-guided range finder can pinpoint targets for laser-guided weapons. IAI has already debuted two laser-guided "smart" bombs which are set on target with sighting devices which are either set up on the ground, or mounted on a manned aircraft or a drone.

The Impact can take off from a short runway, or with the help of booster rockets when no runway is available. The drone transmits a television picture of the area over which it is flying, which is then transmitted over a specialized anti-jamming broadcast channel.

Two weeks ago the American Defense Department advertised the first state of a tender, the goal of which is to equip the US Army and Air Force with drones for various purposes.

The Impact is competing with two groups of American companies, at the head of one group is IBM, and at the head of the other is the aircraft manufacturer McDonnell Douglas. A third competitor is the British firm G.A.C. By July the Americans will choose two of the four companies and order two test systems from them.

These days the Malat factory is busy assembling the last of the Pioneer model drones purchased by the US Navy. This model of drone is stationed mostly on the decks of ships in the E.O.B. [electronic order of battle] system. They have logged over 2,000 hours of flying time, most of which has been carried out in the Persian Gulf.

### New IDF Manpower Branch Appointment

TA0706052189 Jerusalem Radio in Hebrew  
0405 GMT 7 Jun 89

[Excerpt] Brigadier General Ram Goren of the Air Force has been appointed chief of the IDF [Israel Defense Forces] Manpower Branch in the General Command, replacing Major General Matan Vilna'i. Vilna'i has been mentioned as a candidate to replace Maj Gen 'Amram Mitzna' as commander of the Central Command. Other senior General Command appointments are expected soon. Our army affairs correspondent Karmela Menashe has learned the details:

For the first time an Air Force officer is being appointed chief of the Manpower Branch. Up to now it has usually been headed by Ground Forces officers. Gen Goren, 47, has been deputy Air Force commander for the past 2 years. During his IDF service he has been a base commander, a squadron commander, commander of the Air Force operations branch, and held other senior posts. He has an M.A. in administration, resides in Ramat Hasharon, and is married and a father of four. Gen Goren will be promoted to the rank of major general and will take over from Gen Matan Vilna'i, one of the candidates to replace Gen Mitzna', the commander of the Central Command. [passage omitted]

### Economic Options in Territories Analyzed

TA2305172689 Tel Aviv YEDI'OT AHARONOT  
in Hebrew 23 May 89 p 7

[Editorial Report] The business supplement of the 23 May edition of the Hebrew daily YEDI'OT AHARONOT carries an article by Tel Aviv University Professors Gid'on Fishelson and Dr Yo'el Raban, researchers for the Hammer Fund for Economic Cooperation in the Middle East and the Center for Technological Forecasting, entitled: "Israel and the Territories—Economic Scenarios." The article is divided into several chapters, some of which are in turn subdivided, each providing alternative theories as to the future of the economies of Israel and the territories under various conditions.

The article aims to "assess the economic projections of various political arrangements between Israel and the territories." The authors stress that from the point of view of the economy, "the nature of the future ties constitute the basic difference between the various scenarios," the main point of all the scenarios being the question of "whether the border between Israel and the territories is closed or open to the passage of workers, merchandise, services, and capital."

In the first chapter, the authors outline the situation of the territories' economy as compared to that of Israel on the eve of the uprising in the territories, stating that "the economy of the territories depends on the Israeli economy to a greater extent than the latter does on the economy of the territories."

The second chapter examines the economic projections of a total severance of the two economies. One of the consequences for Israel is that it will have to evacuate Jewish settlers and civilian and military installations from the territories. The cost of the latter, in addition to the cost of installing an alarm system along the new border, is estimated at "between \$3 and \$5 billion, to be spread over 2 to 3 years." An additional sum of \$3 to \$5 billion will be required for the evacuation and resettlement inside the Green Line of some 20,000 Jewish settler families.

The authors estimate that the military and civilian evacuation will decrease Israel's national product by about 3 percent in the 1st year as compared to the previous year. "Per capita consumption will decline by approximately 4.5 percent in the 1st year and will return to the same level only after more than 4 years." Another consequence is a further rise in foreign debt. The authors believe that "increased U.S. aid will diminish these damages to the Israeli economy. Additional civilian aid of about \$5 billion for each evacuation year will neutralize the damage of the evacuation, but not the damage of the economic severance."

As for the territories, the impact of dissociation "will be severe to the point of crisis," the main problem being that of "preserving total consumption and investment, as well as per capita economic resources, at the 1986 level. Since the population of the territories increases at an annual rate of 3.5 percent, resources should grow at the same rate. Moreover, out of concern for political and social stability, the level of consumption and investment should grow at an annual rate of at least 2 percent."

Another aspect of the economy in the territories, exports, will suffer a drop of about 47 percent. This includes a loss of income from work in Israel and the loss of an export market. In real terms, the drop in exports and imports will stand at about 40 percent. The overall expected damage under this scenario will be a foreign trade deficit of \$1 to \$1.3 billion. Another deficit of about \$2 billion annually will stem from the required growth in public consumption and local investment. The authors state that "To prevent the need for \$2 billion worth of aid over a prolonged period, it is necessary to locate resources for investment in the territories," which—due to the water shortage problem—will be mainly in industry. Investment in industry will have to supply jobs to about 200,000 workers, the total required investment for which stands at approximately \$3 billion to be spread over several years.

The third chapter deals with the option of a continued incorporation of economies, which "can serve as a lever for developing the territories without lowering its population's standard of living, provided investments in local industrial plants are made." The authors estimate that in this eventuality, "Israel will have to absorb the annual addition of 3.5 percent of manpower from the territories," which will generate an annual growth rate of about

4.6 percent, an annual growth of 2.5 percent in the rate of per capita consumption, and a decrease in foreign debt at an average annual rate of about 2.7 percent. The authors warn, however, that the proportionate increase of workers from the territories in the Israeli market can generate a dependency which is liable to paralyze some parts of the Israeli economy in the event of unrest.

The article goes on to present six "scenarios," each of which examines the impact on the economy.

In "Scenario A: A Continued Uprising," the authors estimate that in 1988 the damages of the intifadah [uprising] to the Israeli economy were between 2.5 and 3 percent of the national product. If the intifadah either continues or escalates, and in view of the fact that "the Israeli economy is greatly dependent on foreign trade," the impact on Israel's economy "can be serious as a result of the erosion of its image among friendly countries." The fact that the water shortage will not be solved is another facet of the damage.

The economy of the territories will bear the brunt of the intifadah to a far greater extent than that of Israel. According to estimates, "the national product of the territories dropped by 30 percent or more in 1988, and unemployment grew by almost 25 percent." The authors believe that the economic situation will deteriorate continuously, "if Israel does not allow massive unilateral passage of workers and the development of a local employment infrastructure."

"Scenario B: Palestinian Autonomy" differentiates between "limited autonomy" and "extended autonomy." Under the first, the territories will be dependent on the Israeli and Jordanian financial systems, will have no control over the distribution of water resources, immigration, and customs, and will, therefore, find it difficult to develop and grow. Since under "extended autonomy" the territories will be in charge of their resources jointly with Israel, they will be "at least partly in control of their economic future."

As for Israel, limited autonomy will "reduce to a minimum the possible damages to the Israeli economy, mainly due to the fact that the outlay for the evacuation of settlers and military installations will be very small." The overall impact of extended autonomy on Israel is seen as potentially positive; the authors foresee national product continuing to grow at an average annual rate of 4.5 percent and per capita consumption at an annual rate of 2.5 percent.

"Scenario C: Annexation," with full rights given to the residents of the territories, is seen as "potentially damaging to certain sectors in Israel," such as agriculture and industry. In addition, "Israel will have to provide residents of the territories with a public service infrastructure," while "the potential to raise capital in the territories themselves is very low."

Another possibility is annexation without granting the residents full rights. Indirectly, this option can be significantly damaging to Israel's economy, which depends on international trade agreements with ECC countries and the United States. The implementation of this option can bring about economic sanctions by various countries, as well as a considerable decrease in U.S. aid. Another possible result is the outbreak of a war, which "can raise defense expenditures by some \$4 to 5 billion and decrease the national product by about 10 percent for the duration of 1 to 2 years."

In "Scenario D: Palestinian State," the authors believe that both Israel and the Palestinian state will gain by allowing a "continued passage of workers and goods between the countries." "The Palestinian state's economic success depends on its ability to develop its industries. The total investment required for industry, infrastructure, and other areas is estimated at \$6 to \$8 billion.

For Israel, the Palestinian state will mean a cost of \$5 to \$9 billion for the evacuation of settlers and military installations, a drop of 3 to 4 percent in the national product, the return of private consumption to the level of 4 years before, and an annual rise of 2 to 3 percent in foreign debt. The positive impact on Israel lies in the improvement of Israel's international standing.

"Scenario E: Unilateral Withdrawal From the Gaza Strip" states that since about 60 percent of the Strip's manpower is employed in Israel, all aspects of its economy will suffer. Revenue will decrease by 60 to 70 percent, causing a drop of 50 percent in private consumption. As a result, "Gaza's national product will drop to 20 to 25 percent of its present volume;" unemployment will stand at 50 percent. Only an injection of an estimated \$500 million for each of the initial years will compensate for the loss of revenue resulting from the severance from Israel.

The direct damage to Israel "will be quite negligible," with a maximum drop of 1 percent in the national product for 2 to 3 years.

In "Scenario F: Jordanian Rule," the authors say that the territories' economy will be dependent on massive foreign aid for a long time, although the Jordanian financial system can assist in raising foreign capital, establishing industrial plants, and in spheres such as "education, health, the development of water resources," and others.

In some aspects, the economic impact of this scenario on Israel is similar to that of a Palestinian state. "Without additional foreign aid in the first years after the establishment of the federation and the economic dissociation from Israel, the economic impact on the State of Israel can be grave. The establishment of the federation and its economic incorporation with Israel, however, will help Israel create an economic bridge into Jordan, and through Jordan into other Arab countries." This will also help solve the water problem.

## KUWAIT

### **Gulf Bank To Revamp Operations, Management** 44000521 Kuwait ARAB TIMES in English 4-5 May 89 p 7

[Article by Jadranka Porter]

[Text] In a move to position itself for the 1990s the Gulf Bank is planning a major revamping of its entire operation amidst dismay at Kuwait government's apparent inability to remove barriers that block the country's way towards greater economic prosperity.

The first casualty in the Gulf Bank's emerging long-term plan aimed at lowering the cost and improving the performance will be wasta and unproductive workers, the bank's recently elected chairman Dr 'Abd-al-'Aziz Sultan al-'Isa told the ARAB TIMES.

#### **Management**

"I will not tolerate wasta, and non-performers. We have a lot of them," said al-'Isa pointing out that the widespread use of influence is a remnant of tribalism which hampers development in the private and public sectors. Public administration, itself deep in discussion on the need for quality management, is not ready for the radical changes needed to spruce up its act, claims al-'Isa.

"The government has poor management skills and is mired in indecision," he says stressing that without better management there cannot be economic prosperity. The government may give the economy a shot in the arm, such as a quick solution to the bad debt problem stemming from the al-Manakh crisis, but the country needs a new social, financial and regulatory environment, said al-'Isa.

"What we need is less bureaucracy, fewer security measures, restrictive laws and a more open and free society" he insisted echoing remarks frequently voiced these days among Kuwait businessmen.

While the government is keeping a lid on new reforms, recent changes in the Gulf Bank, reverberated throughout Kuwait particularly in the ranks of shareholders of other banks and private firms keen on similar changes in companies whose stock they own.

#### **Evident**

The first became evident after Gulf Bank shareholders moved a month ago to fire the former board of self-made, old-fashioned directors and replace it with a younger and more professional team.

Since then shareholders of other banks, keen to replace their own board members, have been contacting the Gulf Bank for advice and appeals were launched to the

government to show more determination in weeding out unproductive civil servants irrespective of who they are.

"Shareholders are tired of board directors who interfere in day-to-day company operations. What happened in the Gulf Bank will happen elsewhere in the private sector. The only question is when," he explained.

"We should have done this five years ago," al-'Isa added. To make up for the lost time al-'Isa, who holds a PhD in engineering from the University of Michigan, has hired a top Western consulting firm with a task of forging a 10-year strategic plan, the first in the bank's almost 30-year history.

The team will report to the board on Oct 1 after a four-month study on the bank's past performance and potential for future development in the local, regional and international markets.

#### Leadership

In the meantime al-'Isa, 49, who is not a banker but claims leadership skills sharpened during years he spent building up the successful Kuwaiti Engineer's Office (KEO), is setting into motion changes reversing some of the old board's decisions.

Although he moved office to the Gulf Bank headquarters, al-'Isa promises a hands-off board.

"We have already placed the management where it belongs, in the hands of managers," stressed al-'Isa adding that his own task would be planning.

He also cut the number of supervisory committees from four to one.

The bank will go on a hiring binge looking for high-calibre professionals to fill in posts to be vacated by non-performers and to strengthen the management structure.

Yusuf al-'Awwadi, the bank's chief general manager of four years, however is likely to remain. "He is highly professional," remarked al-'Isa.

But in years to come al-'Awwadi will probably be managing a somewhat different Gulf Bank from the one he has known so far.

The bank is currently evaluating its organisational structure and with the help of foreign consultants will devise a new system to help it cope with the increasing competition on the local market.

The end-result should be al-'Isa's view a first-rate finely-tuned financial institution.

"We can do it, we've got the resources," he contends.

#### Kuwaiti Credit Accord for Road Construction

34190218z Dakar LE SOLEIL in French  
30 Mar 89 p 6

[Article by Mamadou Traore: "Kuwaiti Fund Contributes 2 Billion"]

[Text] Yesterday Abdoulwahab Al-Bader, deputy director general of the Kuwaiti Fund for Arab Economic Development, and Alassane Dialy Ndiaye, minister of equipment, signed a 2.205 billion credit agreement at the Ministry of Equipment, in the presence of the Kuwaiti ambassador to Senegal and the administrative director of the Ministry of Economy and Finance.

This aid is to go towards financing the Dialakoto-Kedougou road stretching 158.5 km. The financing agreement was signed yesterday morning at the Equipment Ministry by Abdoulwahab Al-Bader, deputy director general of the Kuwaiti Fund for Arab Economic Development and the Senegalese equipment minister, Alassane Dialy Ndiaye. The documents signed yesterday are part of the Fund's overall assistance to our country which amounts to 39.4 billion.

In appreciation of the valuable Kuwaiti assistance, Alassane Dialy Ndiaye spoke highly of the support that country gives to Senegal and its efforts to further its development. In this connection, he stressed the broad understanding shown by the Fund's authorities in examining Senegal's projects.

#### Permanent Link

Abdoulwahab Al-Bader said he was pleased to participate in the efforts to open up the eastern part of Senegal. Moreover, he reiterated the intention of the Kuwaiti fund "to aid Senegal, the country of Teranga."

Alassane Dialy Ndiaye referred to the importance attached to the building of this road. In fact, this project will make it possible to have a permanent link between Dialakoto and Kedougou by road. Moreover, "this rural zone, with great agricultural potential that has not yet been exploited because of the lack of road infrastructure," could see its overall development stepped up as a result of this project.

In addition, this road, which is also a segment of the Trans-Sahel route between Dakar, Bamako, and Ndjamena, will certainly support the agro-industrial and mining projects Senegal has planned for this eastern region. It will promote subregional economic integration.

These are all the points referred to by the equipment minister as he expressed the gratitude of the people and leaders of our country to the heads of the Kuwaiti Fund.

### **Immigration Considered To Increase Percentage of Kuwaitis**

44000512 Kuwait ARAB TIMES in English  
1 May 89 p 1

[Article by Hussain Salameh]

[Text] Selective immigration is being considered by the demographic policies committee as a way of reducing expatriate manpower, increasing the contribution of nationals in the workforce, and ultimately increasing the percentage of Kuwaitis in the population of the country, according to Higher Planning Council General Secretary Fu'ad Mulla Husayn.

The committee is studying the use of the most effective and qualified non-Kuwaitis in the workforce, he said, with a view to considering them for nationality. It is the committee's task to reconcile the country's immigration policy with its demographic and national policies, as well as the actual need for qualified personnel with the quality of manpower entering the country, he said.

The committee has studied this issue in conjunction with officials from the Ministry of the Interior and the Ministry of Social Affairs and Labour, who have been attending the committee's meeting.

The Higher Planning Council is also studying the real estate market and its importance and influence in the national economy in general, Husayn said.

## **LEBANON**

### **Al-Huss Calls for Lebanese Central Security Body**

NC1206095889 Beirut Radio in Arabic  
0800 GMT 12 Jun 89

[Text] Prime Minister Dr Salim al-Huss called for the creation of a Lebanese central security body in whatever form the tripartite higher committee sees fit. In an important, exclusive interview with (ARABALL) news agency, to be published today, Prime Minister al-Huss maintained that those who are counting on the committee's failure lack faith not only in the Arab initiative but also in Lebanon's future. He expressed the hope that the tripartite committee will play an effective role in providing the conditions for Lebanese agreement on a formula for constitutional and political reforms, and on an acceptable presidential candidate. He affirmed that the presidential election must take place on the basis of prior agreement; it must not be a battle, he said.

Prime Minister al-Huss maintained that the presidential election is not a security issue but a matter of agreement. Therefore, he said, the plan of greater or administrative Beirut cannot be implemented in practice under the existing division of authority.

Answering a question on reports that the lifting of the blockade must be accompanied by guarantees that no arms will be imported, Prime Minister al-Huss said: If we are really counting on the Arab higher committee to succeed in its mission, we must not expect a final return of peace and stability to Lebanon before the completion of the 6-month period set by the Arab summit resolution for the committee's mission. With the restoration of peace and stability there will be no use for weapons, he said.

## **OMAN**

### **Progress in Agriculture, Livestock Discussed**

44040367c Muscat AL-WATAN in Arabic  
20 Mar 89 p 5

[Interview with 'Ali Ibn-Muhammad al-Jilani, director of the department of agriculture in southern al-Batinah, by 'Abd-al-Sattar Khalif Hadid al-Rasibi, date and place not specified]

[Text] The department of agriculture in southern al-Batinah and all its agricultural centers and veterinary clinics serve the farmers and ranchers, and they also cooperate with the government establishments in the region to serve the public interest.

Falling under the jurisdiction of the department of agriculture in southern al-Batinah are the districts of Quryat, Barka', Nakhl, Wadi al-Ma'awil, al-Masna'h, al-Suwayq, al-Rustaq, al-'Awabi, and Masirah, and the regions of al-Hajir, Muscat, al-Sib, Bawshar, and al-Bustan.

Moreover, the Agriculture Bank offers soft loans to the farmers, especially those in the project to introduce modern systems of irrigation and to develop and increase the local goat population.

In an interview with 'Ali Ibn-Muhammad al-Jilani, director of the department of agriculture in southern al-Batinah, the conversation dealt with continuing the activities of the Year of Agriculture and a look ahead at the development of agricultural methods, as well as other subjects.

### **Seven Centers**

[ALA-WATAN] To begin with we asked him about the extension units and centers under the department of agriculture in southern al-Batinah.

[Al-Jilani] There are seven centers under the department's jurisdiction, namely: Quryat, al-Sib, Barka', al-Masna'h, al-Suwayq, al-Rustaq, and Masirah. The two branches of al-Hajir and al-Bustan are also under the department. The first is under the Quryat center and serves the al-Hajir region, and the second is under the al-Sib center and serves the region of Bawshar and Muscat.

### Many Services

[AL-WATAN] What is the role of these extension units and centers in offering services to the farmers, and what are the limits of these services?

[Al-Jilani] These centers offer the citizens many services. Besides field and extension visits to the citizens' farms by the technicians working in these centers, whether in crop production, animal husbandry or veterinary services, they offer subsidized vegetable seeds as well as subsidized seed potato and free wheat and barley seed. They also offer to aid the farmers with plowing and subsidize chemical or organic fertilizers, as well as subsidized pesticides. In addition, spraying teams at these centers offer spraying services to the farmers who do not have spraying equipment, this in addition to free aerial spraying against the date "dubas" [date leaf-hopper], as well as collective spraying of trees free of charge.

That is with respect to plants. With respect to veterinary medicine, there is collective treatment and vaccinations, in addition to the services of veterinary clinics for treatment of citizens' animals. These clinics are distributed in all of the department's centers, and they offer these services free of charge.

### Soft Loans

On the role of the Bank of Agriculture and Fisheries in the regions, and the services that it offers, al-Jilani said:

The bank here offers soft loans to the farmers, especially those in the project to introduce a modern system of irrigation, whether they be in the agricultural groupings or in the project to develop and increase the local goat.

### Al-Suwayq and Al-Masna'h

[AL-WATAN] We would like to shed light on the project to increase the local goat. What point has this project reached?

[Al-Jilani] In regard to the pilot project, the project to develop and increase the local goat population, the department of agriculture in southern al-Batinah has built 30 animal pens for shelter in the districts of al-Suwayq and al-Masna'h using the most modern methods.

Two hundred and ninety head of local goat have been distributed among 29 pens, and 10 head of sheep will be sent to pen number 30 after it is completed. A modern system of irrigation has been introduced on 30 farms in order to plant 2 feddans to Rhodes grass as green fodder for the animals.

### The Regions

About the regions under the department's jurisdiction, al-Jilani said:

Coming under the department's jurisdiction are the districts of Quryat, Barka', Nakhl, Wadi al-Ma'awil, al-Masna'h, al-Suwayq, al-Rustaq, al-'Awabi, the island of Masirah, and the regions of al-Hajir, Muscat, al-Sib, Bawshar, and al-Bustan.

[AL-WATAN] How much coordination is there between the department and the other government agencies in the districts?

[Al-Jilani] The department always comes forward with all the assistance and facilities that are asked of it, and it cooperates with all the government establishments in the region. This is required of all for the service of the public good.

### An Honor

[AL-WATAN] What is your view on continuing the activities of the Year of Agriculture for the current year of 1989, and is this seen as an incentive for more production by the farmers and officials?

[Al-Jilani] Continuing the activities of the Year of Agriculture in 1989 is an honor for every official, technician, and worker in the agriculture sector, and it also an honour for the Omani farmer. It reflects the extent of the leader's concern for this vital sector, and the degree of national responsibility cast upon the shoulders of all those working in this profession, which is considered the nerve center of life, for providing food is seen as one of the most important constituents of success and stability in any society, and this without doubt is a strong incentive to officials and farmers to exert more and reach the level of trust and responsibility with which the leader has honored them, and achieve higher production in quantity and quality. This is the goal of the Ministry of Agriculture and Fisheries and those working in it, God willing.

### Well-studied and Organized Methods

[AL-WATAN] What is your prediction concerning the development of methods of farming, fishing, animal husbandry and beekeeping that will enable agriculture to occupy a greater position in the sources of national income in the country?

[Al-Jilani] In fact, since 1988 the Ministry of Agriculture and Fisheries has been working in a studied, organized way to develop a farming method having an economic form by creating a crop rotation system that would give the ideal crop composition for every farm according to the type of soil and water, and also by following modern systems of irrigation so as to overcome the scarcity of water resources in the sultanate, as well as the problems of labor and of the methods of surface irrigation. The farm groupings are seen to embody what we say, because this project aims to achieve the right crop rotation for every farm, implement advanced farming methods and install modern systems of irrigation. The Ministry of

Agriculture and Fisheries is working to have these farms be model farms for methods of agricultural development, this in addition to the pilot project to develop and increase the local goat in the field of animal production. With respect to raising honeybees, there is also a project being implemented now in which bee hives are distributed to the citizens in the amount of two hives per citizen. Some hives have already been distributed to some citizens, and the specialist technicians are following up on those hives and advising the citizens who have them on the sound methods of raising them.

Therefore we see that the government, to which thanks are due, does not spare any effort in offering all projects and advanced methods. Of course there must be constant and continuing cooperation between the farmers and the agricultural extension centers, and those concerned must comply with the technical recommendations, until we reach the sought after goal.

## SAUDI ARABIA

**Rabita Finances Islamic Cultural Center**  
34190239z Port Louis LE MAURICIEN  
in French 11 May 89 p 4

[Article by Raj Gowrea: "15 Million Rupees from Arab League to Islamic Cultural Center"]

[Text] The signing of an accord between the government and Rabita providing some 15 million rupees in financial aid for creation of the "Islamic Cultural Center" and laying of the center's cornerstone next Saturday are two notable events scheduled to take place during the 48-hour visit to Mauritius of Dr Abdullah Nasseef, the Saudi Arabian secretary general of Rabita.

The Arab League, through Rabita, is known for its assistance in training Mauritian cadres to promote the expansion of Islamic culture, its grants of university scholarships, and its creation of reception centers for Mauritian pilgrims going to Mecca.

Now, as it is providing direct assistance for construction of the Mauritian Islamic center, Rabita has sent its secretary general, Dr Nasseef, a noted Arab world scholar, to represent it at the signing of the protocol agreement Saturday at Government House. In the afternoon Dr Nasseef will go to the site where the center is to be built, at the corner of La Paix and Diore streets in the suburbs east of Port Louis, to lay the cornerstone.

His delegation also includes Dr Fareed Yassin Khuraishi, Dr Soheil Al Ghamedi and Mr Abdel Azize Hannafi. The delegation is expected to arrive in Mauritius tomorrow afternoon. The program of activities for the delegation also includes courtesy calls on government leaders.

It should be noted that architectural work on the edifice that will house the Islamic Cultural Center has already been completed. The authorities are ready to move ahead full-speed on the project as soon as negotiations with other Islamic organizations are concluded.

**Laser Research Lab Begins Operations**  
44000525 Jeddah ARAB NEWS in English  
9 May 89 p 2

[Text] Riyadh, May 8 (SPA)—The laser research laboratory at the Research Institute of King Fahd University of Petroleum and Minerals (KFUPM) is now operational with research activities related to the basic studies of multiphoton process in atoms, spectroscopy of molecules in supersonic jet-beams ultrafast dynamics of molecules in liquids and turbulence development in flow.

Some specialized equipment such as an atom beam source and related accessories were designed and made at KFUPM, while some major modifications of a water channel were also effected at KFUPM. A ten-fold improvement on the degree of turbulence was obtained on the latter.

Capabilities exist for research in development of lasers and for laser applications in environmental studies, earth science and industrial development. Laser research is expected to play an important role in the petrochemical industry.

On the other hand, nine laboratories at the institute were dedicated to petroleum and gas engineering, representing a broad spectrum of research capability for performing sophisticated studies related to petroleum exploration, reservoir development, and hydrocarbon production.

These studies were funded in cooperation with the Ministry of Petroleum and Mineral Resources and Saudi Aramco.

Reservoir studies are an important part of the institute's activities. They included geological modeling, rock and pore characterization, reservoir fluid analysis, fluid flow, core analysis, reservoir simulation, and analytical and numerical modeling.

Computer software for well-log interpretation has been developed and is being improved by the addition of new subprograms for the study of reservoirs. Other software is being developed for black oil simulation. This will be used to study the flow of fluids in hydrocarbon reservoirs.

Meanwhile, a significant joint program is directed toward understanding the fundamental mechanism of scale formation, particularly as it applies to oil production facilities.

Petroleum and petrochemicals are industrially significant in Saudi Arabia and the institute devotes considerable research to petroleum and natural gas refining and

to the development and utilization of petroleum and petrochemicals. Thirteen laboratories equipped with the most modern and sophisticated equipment are available to the researchers in this area.

#### **Geophysics Lab To Be Established at King Fahd University**

44000523 Jeddah ARAB NEWS in English  
25 Apr 89 p 2

[Text] Riyadh, May 9 (SPA)—The Research Institute of King Fahd University of Petroleum and Minerals is in the process of establishing facilities for applied geophysical research.

A senior official of the institute told the Saudi Press Agency that presently a geophysics laboratory is being set up and geophysical equipment is being procured.

Proposals have been initiated dealing with the engineering geology requirements for building a road across terrain with many sinkholes and solution cavities, for an investigation of the oil and gas prospects of the Red Sea and Gulf of Aden, for improving productivity at a marble quarry, for studying the nonmetallic mineral deposits of the Eastern Province as raw materials for local industry, and for a systematic study of the building stone potential for central and western Saudi Arabia.

The official said the institute has been able to offer practical solutions to challenging problems of control and prediction of sand dune movement.

It successfully carried out several sand control projects for the Royal Commission for Jubayl and Yanbu', for the Eastern Province international airport and for the Ministry of Communications. Currently a large sand control project is being completed for the Ministry of Defense and Aviation.

Considerable success has been achieved with the use of fences, chemicals, shelter belts and enhanced natural vegetation, as well as sand dune afforestation using available water and moisture stored in the sand dunes.

As an important part of sand control measures, arid land botany research is being conducted to test the suitability of indigenous and introduced plants. A sand control study is also being conducted in the KFUPM beach area at Half Moon Bay.

The institute's image processing center processes satellite images to map and interpret characteristics of the earth's surface, as well as shallow bathymetry of the Arabian Gulf.

This center contains a modern image processing system supported by a well-equipped photographic laboratory, as well as the expertise for processing, analyzing and printing remote sensing data acquired from space and

aerial platforms. Hardware and software are currently being updated which will make this a state-of-the-art image processing system.

The center maintains landsat multispectral scanner imagery covering the entire Arabian Peninsula, as well as substantial coverage of parts of Saudi Arabia by thematic mapper imagery.

Some spot satellite images of cities, such as Riyadh, have recently been obtained.

The satellite data ground receiving station at King 'Abd-al-'Aziz City for Science and Technology in Riyadh is envisaged as supplying the up-to-date satellite data requirements of the image processing center.

The interpretation of satellite imagery has proved valuable to the institute's projects for sand research, landscaping and greenification as well as for structural analysis, hydrologic studies, and geological mapping.

Large format camera images have been used in mapping Sabkhat and geological formations in the area from al-'Uthmaniyah to Dhahran. Near-infrared imagery has also proved very useful in detecting quaternary drainage channels in the Rub' al-Khali and Jafurah.

In addition, the image processing center has acquired satellite images for interpretation of the northern Saudi border area and for bathymetric and marine biotope studies around Abu-'Ali Island.

Satellite images, taken by Prince Sultan ibn Salman during the shuttle Discovery mission in 1985 are being interpreted geologically. Several paths of vertical images from this mission are especially useful as they have about 60 percent overlap and can be viewed stereoscopically.

#### **New Energy Research Lab Described**

44000508 Jeddah ARAB NEWS in English  
25 Apr 89 p 2

[Text] Riyadh, 24 April (SPA)—A new energy research laboratory building has become operational at the Research Institute of King Fahd University of Petroleum and Minerals in Dhahran in line with its scientific program to ensure growth and development in terms of application of modern technology, according to the institute's progress report for 1988 released here today.

The new research laboratory building, which was completed recently, contains numerous individual laboratories for energy systems, basic and applied physics and laser research.

The facility for instrument repair, maintenance and calibration, originally intended to serve the institute, has been expanded to maintain all university computer systems, word processors and scientific equipment, resulting in considerable monetary savings.

The institute now has an outstanding array of first-class analytical systems which are capable of achieving the highest international standards of performance. This capability is of immense value to programs of the institute and the university as well as to organizations outside, said the institute's director Dr 'Abdallah I. Dabbagh.

During the period from 1 September 1987 to 31 December 1988, Dabbagh said, the institute continued to contribute to the objectives of the Kingdom's 5-year development plan. "Solutions to many problems related to the Kingdom's needs are being developed in the institute by applying modern technology. Special emphasis is given to using local resources and to strengthening local capabilities," he added.

Dabbagh said the institute is heavily engaged in activities encompassing major aspects of technical research: basic research and technology transfer for the benefit of the community it serves.

He added that the institute's growth and progress is due in large part to the active support and encouragement of the Saudi government. He also thanked the minister of higher education and the university's Rector Dr Bakr A. Bakr for their support and encouragement to the institute in realizing its mission.

Significant programs are progressing in areas of petroleum, petrochemicals, water resources, environment impact, construction materials, mineral resources, measurements and standards, energy resources and distribution, economics and management techniques.

During the period under review, some of the institute's specific accomplishments are as follows:

- Completion of 93 research projects funded by clients with final results delivered to the sponsors.
- Forty research projects funded by clients were active on 31 December 1988.
- Thirty-six research projects funded by the Research Institute were active on 31 December 1988.
- Twenty-five proposals for research were written during the period and submitted to clients.
- The Research institute had 333 permanent employees on 31 December 1988.
- Twenty-four faculty members were contributing part time to externally funded projects on 31 December 1988, twice that number contributed to internally funded projects and as consultants during the period.
- Almost 100 students from the university were employed and trained part time in various research activities of the institute at some time during the period.
- Thirty technical seminars open to university faculty, students and staff were sponsored by the institute.
- Important progress was made in establishing and equipping new laboratories. The new energy research laboratory building is now equipped and occupied. Research is under way in the fields of energy systems, basic and applied physics and laser research.

- A fully automated pilot plant has been installed which is capable of evaluating catalyst performance and simulating petroleum refining and petrochemical process for the Kingdom's industries. Another fluidized bed reactor plant is used to evaluate fluid catalytic cracking catalysts and to simulate catalytic processes.
- The facility for instrument repair, maintenance and calibration was expanded to maintain, repair and calibrate complex university and institute equipment. This facility leads to significant savings in the university's budget.
- Thirty-two major technical reports on research projects were written and delivered to clients.
- One hundred thirty-eight technical papers written by staff members were approved and published in the open literature or presented at professional conferences. One patent was issued to an institute employee.
- Management and administrative practices continued to be documented and strengthened.
- The sustaining research program is building up an important fund of basic information for future applied research.
- The institute is continuing work to complete technical databanks in areas of petroleum, environment, meteorology, solar energy, desalination and materials. These will give strong support to future fundamental research efforts.
- The total number of past and current clients has increased to 73.

The Research Institute represents the forefront of science and technology in Saudi Arabia. It is an integral but semiautonomous part of King Fahd University of Petroleum and Minerals.

## SUDAN

### Foreign Minister on South, Saudi, Egyptian Relations

45040330A London AL-HAWADITH in Arabic  
28 Apr 89 p 38

[Interview with Foreign Minister Sayyid Ahmad al-Husayn: "No Chill in Relations with Saudi Arabia and Egypt"; date and place not specified]

[Text] Sudanese politician Sayyid Ahmad al-Husayn is described as the architect of the peace agreement concluded between the Democratic Unionist Party and the John Garang Movement in Addis Ababa on 16 November 1988. Ever since the unified national front government was formed, he has occupied the post of first deputy prime minister, held the foreign ministry's portfolio, and been entrusted with chairmanship of the cabinet peace committee.

AL-HAWADITH met with him to ask him about the peace efforts and the steps, guarantees and initiatives surrounding them.

[AL-HAWADITH] How successful has the unified national front government been in affirming the peace process and consolidating the famed peace agreement?

[Al-Husayn] The Sudanese political movement has unanimously agreed that the issue of peace and the matter of negotiations with Colonel John Garang must be given full priority in the new government's action, proceeding from the peace process agreed upon by the parties, agencies and unions that are part of the government and mentioned in the interim programs that have been signed. These forces have resolved to unify their ranks for the purpose of creating a stable environment. Only one party has remained outside this unanimous agreement and endeavors are still under way to bring it into this united rank with a view to achieving the desired stability.

To be sure, the country's economic and social stability is contingent upon its political stability. Nevertheless, the new government will also provide clear plans for action aimed at restoring the country's economy which is characterized as a productive economy impeded only by political instability and certain deficiencies in the basic structures such as energy, transportation, storage and the like.

We have a perfectly clear idea of how such matters ought to be handled in the country within the framework of the government's interim program. We also have an active and dynamic foreign initiative, aimed at explaining and illustrating the Sudanese peace plan. This initiative is being undertaken by the president and members of the presidential council and the Ministry of Foreign Affairs, starting with the neighboring countries with a view to normalizing or consolidating relations with them and creating the proper climate for the continuation of Sudan's active and important role on the Arab and African level in particular and the international level in general.

[AL-HAWADITH] Have preparations for the peace process been completed?

[Al-Husayn] As soon as the government was formed and in the first meeting it held, a cabinet peace committee was created under my chairmanship to follow up all necessary steps toward the implementation of the peace initiative all the way to the formation of a preparatory committee for the national constitutional conference and a ceasefire. The committee has arrived at the following specific resolutions:

- Notify John Garang officially of the government's agreement to accept the initiative. This has actually been done by dispatching committee representatives to deliver to the movement copies of the interim program of the political leaders who are taking part in the government, the cabinet's decision to adopt this program and the cabinet peace committee resolutions, as well as an original copy of the terms and functions of the cabinet peace initiative and a copy of the prime minister's speech before the constituent assembly (parliament) elucidating the government's obligations in the interim program.

We have received positive responses that will contribute to the realization of peace, security and stability in the country.

It is no secret that all measures relevant to the initiative have been agreed upon within the framework of the cabinet committee and implementation measures will take the form of a timetable.

[AL-HAWADITH] Is the foreign political initiative linked to current steps toward peace in the south?

[Al-Husayn] Yes, most definitely. We have advised the Arab League, the Organization of African Unity and the UN of developments and endeavors we are undertaking toward the ratification of the peace agreement. We have declared to the world that all the southern political leaders have agreed for the first time on this direction and have indeed coordinated among themselves to select their joint representatives to the central government and the regional governments. We have also informed neighboring countries, such as Egypt, Saudi Arabia, Ethiopia, Uganda, and Kenya, of the measures that have been taken and we turned over to their officials copies of documents and correspondence we have made in this regard. Furthermore, the government asked me to summon the ambassadors accredited to Khartoum to apprise them of what has been done.

[AL-HAWADITH] What if John Garang and his movement vetoed these steps?

[Al-Husayn] We do not like to be pessimistic and cynical. We have all agreed to solve Sudan's problems by democratic dialogue and this is bound to lead us to the desired result through the national constitutional conference in which all the people of Sudan will participate and where national issues that impact on the entire Sudanese population will be resolved. Our hope is great that we will arrive at a just and comprehensive peace. The national conference will not take place in a closed room. The whole world will participate with us through the international mass media and any party that tries to be abusive, to deviate, or force things on others wantonly and unreasonably will be judged by the whole world. World public opinion has a great effect on the course of events. Therefore, we sought and we all agreed as Sudanese to bring these problems to the dialogue table with the participation of the rest of the world. Any abuse on the part of any side will be judged by the world and I assure you that world public opinion will have a negative impact on this side.

[AL-HAWADITH] Has the Eritrean issue been raised as part of the comprehensive settlement with the John Garang Movement?

[Al-Husayn] If you mean to ask whether Ethiopia has a certain control over the movement and whether it dictates to it certain terms and specific settlements, the

answer is no. There is no link between the Eritrean question and the issue of peace in the south of Sudan, as if the movement is a captive of Ethiopia and cannot make a decision in the matter of peace unless something is done for Ethiopia! But if you mean to ask about stability and real peace—that peace cannot be established between the north and south in the presence of upheaval in any neighboring country and this necessarily reflects on Sudan. The Eritrean question is of common concern to us and Ethiopia, and our common interest is to see wide-spread peace in Ethiopia, Chad, and Uganda so that we may all enjoy comprehensive peace in the region.

[AL-HAWADITH] Where do the armed forces stand these days on the peace process?

[Al-Husayn] The armed forces are on the side of constitutional legitimacy and the democratic system in Sudan.

[AL-HAWADITH] What, in your opinion, is the reason for the growing upheaval and labor and factional strikes by judges, lawyers, doctors and, more recently, the armed forces?

[Al-Husayn] There is no doubt that the current expanded government will take a great interest in this issue, especially since union organizations and factions are partners in the rule. Moreover, strikes in a democratic system are a natural phenomenon, for this system guarantees freedom of expression.

[AL-HAWADITH] Why did the president of the presidential council [Ahmad] al-Mirghani visit Egypt and Saudi Arabia at this particular time and is it true that there is a chill in Sudan's relations with these two fraternal Arab countries?

[Al-Husayn] At first, let me emphasize that there are no signs of a chill in Sudan's relations with either of these two fraternal countries. On the contrary. These two countries are a strong pillars for Sudan by virtue of their proximity, strong historic relations, common language and interests and incessant coordination. As for the visit, it was a visit by a Sudanese official to his second home. We were delighted with what the final communique on the visit of the Attendant of the Two Holy Places to Egypt said about the two countries' appreciation and satisfaction with recent developments in Sudan aimed at establishing a just peace in the country and solving all problems standing in the way of stability in a framework of national unity.

[AL-HAWADITH] Will Sudan join any of the current Arab groupings?

[Al-Husayn] The emergence of three Arab groupings in a regional framework is a definite indication of this nation's vitality in producing images and forms that suit the sophisticated needs of the age. This age is the age of regional groupings and the GCC [Gulf Cooperation Council] countries have taken a successful and effective pioneering step toward coordination and integration among its states. The GCC has played a memorable role vis-a-vis the Iran-Iraq war in containing its effects, to

limit it to the two warring countries and prevent its expansion into other war fronts, and to stop the shedding of Muslim blood spilled daily because of the war. Thank God the results have been good and have been an important factor in the creation of the Arab Cooperation Council and the Arab West Union. We in Sudan are very happy with anything that brings the Arabs together and unites their word, but we are now in the process of putting our house in order and solving the problems of the war in the south. After our house is put back in order, we will decide on the matter of joining, especially now that the general elections are near.

#### **Chadian Delegation Leader Comments on Trip to Sudan**

45040330B London AL-DUSTUR in Arabic  
1 May 89 p 18

[Article by al-Safi Musa: "Sudan Had Nothing to Do with Coup Attempt."]

[Text] Many conflicting statements have been made about the size of the forces that entered Sudanese territory right after the recent abortive coup in Chad which was said to have been aimed at creating a political entity (state) for the Zaghawah tribe along the Sudanese-Chadian borders in view of the fact that the perpetrators are all members of this tribe. AL-DUSTUR met with the head of the Chadian delegation, Mr Muhammad Nuri, member of the Chadian ruling party's executive office, to ask him the truth about what is going on there. He said: "I cannot say for certain that what happened was a coup attempt in Ndjameña because the involved persons fled the city and did not carry out any operations in it because our army clashed with them along the borders. Those who were able to enter Sudan were the presidential advisor on security affairs, Idriss Deby and seven others. We have no evidence so far that the operation undertaken by Idriss and Hassan Djamous had any specific goals, and we cannot make this claim because we have no proof. Consequently, we cannot say that the operation was aimed at bringing the Zaghawah tribe together under a political entity.

"As for our visit here, the coup attempt was not the main reason for it. Rather, it is part of the effort to strengthen and consolidate bilateral relations and to explain recent developments." Regarding the size of the forces that entered Sudanese territory, on which there have been conflicting reports, Mr Muhammad Nuri said: "Those who entered Sudanese territory numbered a little over 200."

When AL-DUSTUR met with the Chadian delegation on 23 April, it had been in Sudan a full week without meeting with any Sudanese officials, so we asked Mr Muhammad Nuri about the reason for that and he said: "We are carrying an oral message from the Chadian president to the Sudanese authorities. We have been here a week but have been unable to meet with any Sudanese officials, not the prime minister nor Dr 'Ali Hasan Taj-al-Din. Our objective is to deliver the message to the

prime minister and to Dr Taj-al-Din, but unfortunately we have not been able to meet with them."

#### Accusations

Concerning Chad accusing Sudan of involvement in the attempt and a possible reason for the Sudanese officials' failure to meet with the Chadian delegation for a week, the head of the Chadian delegation said: "We have not accused Sudan or any other country. We heard about these accusations here in Khartoum. I can say that the Sudanese accused themselves and that we did not accuse them because we had no proof. The Sudanese authorities are certain that Chad did not accuse Sudan because I personally met with the Sudanese charge d'affaires Dr Nur-al-Din twice after the attempt and he accompanied me to the airport the day we left on this visit. Furthermore, all the diplomatic corps in Ndjameña are aware of the fact that Chad has not accused anyone—not Libya nor Sudan. Therefore, Sudan should not have leveled false accusations against us. Moreover, the statement we delivered to the Sudanese embassy in Ndjameña did not contain any accusations against any country for lack of proof because we never raise accusations unless we have proof."

#### Tribal Prejudice

In answer to questions about whether the tribal prejudice which occurred following the conciliation between the current government and Ibn-'Umar, (especially on the part of the Zaghawah who undertook the attempt), was one of the main reasons for the attempted coup, Mr Nuri said: "I do not see anything tribal in this affair, the fact that the perpetrators all belong to the same tribe notwithstanding, because not all but only some of the members of the Zaghawah tribe supported this attempt. We cannot say that it has nothing to do with Sudan because the perpetrators—Ibrahim Itno, minister of the interior, Hassane Djamous, commander of the army and Idriss Deby, presidential advisor for security affairs—all belong to the same tribe and have been in power for a long time. Moreover, none of them lost their position when Shaykh Ibn-'Umar came to power. The contention, even inside Chad, however, is that the perpetrators of the coup attempt did not want the national conciliation to be completed because it conflicts with their interests."

With respect to what happened to the leaders of the coup attempt, Mr Nur explained that Djamous and Ibrahim [Itno] are being held by the authorities in Ndjameña and Idriss Deby has entered Sudanese territory along with others. About their forces going into Sudanese territory, he said: "Regarding our forces, they did not go into Sudanese territory. The leaders of the attempt were apprehended at the borders and not inside Sudanese territory."

#### Inveterate Evil

Concerning the deteriorating security situation in Darfur and its relationship to the Chadian-Chadian war, and the Chadian-Libyan war and the role it has played in the flow of

arms to Darfur where they have been used to set off tribal conflict, Mr Nuri said: "I believe that all the Darfur tribes are armed and their weapons did not come from Chad. The main source is Libya. My answer to your question is that when I came to Sudan in 1986 as part of a delegation, I told the Sudanese authorities that Libya is an inveterate evil, that is like a malignant and incurable disease that cannot be diagnosed and gnaws at its victim until it destroys it. It has armed all the Chadian tribes and has formed 13 tribal fronts. We have been telling Sudan since 1986 that Libya was going to arm the Darfur tribes and that that would create problems for them. Today, all the Darfur tribes are armed: the Arab, the Fur, the (Badiyat) and the Zaghawah. Besides, we do not have the capabilities to arm these tribes for we have no arms and, consequently, all these weapons are coming from Libya. As for intermingling between Chad and Sudan, it does exist on the tribal level. There are Zaghawahs from Chad and Zaghawahs from Sudan and the same thing goes for the (Masalit) and other tribes. The big problem that this matter presents to Chad, however, is their coming into the country to steal camels and the attendant acts of murder and destruction. The same thing happens in Sudan."

#### Open Borders

About the role of the Sudanese and the Chadian sides in putting a stop to such acts that impact on relations between the two countries, Mr Nuri said: "We have worked very hard to stop such acts, but we have not received any help from Sudan. The Sudanese administration does not control and does not rule over these locations. Things are left unattended and the borders are open for anyone who wants to come in. Naturally, what happens in Chad has an impact on Sudan and vice versa, for the border strip between the two countries is about 2,000 kms long. There is not much intervention on our side because the real intervention in Darfur is done by Libya. Moreover, whenever something happens in Chad, anti-Chad elements go to the Sudanese. But there is no Sudanese opposition to Chad from Sudan and it is not possible to have a Chadian-Chadian enmity."

At the conclusion of his talk, Mr Nuri praised the relations between the two countries, saying: "The Chadians and the Sudanese are one people that cannot be separated. We in Chad have always held the firm view throughout the ages that relations between Sudan and Chad are eternal. Clouds covering the skies of relations will disappear and relations will no doubt go forward in the interest of the two people. I am very optimistic about that and since I have lived in Sudan for long periods of time, I can say that I have the feeling that the Sudanese will not alter their relations with Chad."

#### Ba'th Party Urges Peace, Support for Armed Forces

45040330C London AL-DUSTUR in Arabic  
1 May 89 p 4

[Article: "Support for Sudanese Army"]

[Text] The Sudanese deputy prime minister and foreign minister characterized the escalation of military operations in the south of Sudan as not in keeping with peace

endeavors, saying that it must be taken into consideration that the stepped-up fighting may serve the enemies of peace. The deputy prime minister denied that his government wants to achieve peace "at any cost." He emphasized, however, that the government and the Garang Movement, which is fighting the Sudanese armed forces in the south, are in agreement that the establishment of peace in Sudan is vital and essential if the country is to be pulled out of its backwardness.

He affirmed that the Garang Movement's response to peace endeavors was made manifest in a meeting recently held in Addis Ababa between technical delegations from both sides.

It is noteworthy that the Garang Movement, its acceptance of the peace endeavors notwithstanding, has stepped up its military operations on the pretext that a date for a ceasefire has not been set. This prompted some political parties to ask the Garang Movement to declare a ceasefire immediately, especially in the wake of the creation of joint committees to look into a formula for stopping the fighting and to set a date for the holding of a constitutional conference to discuss important national issues.

Along the same lines, the Socialist Arab Ba'th party called upon the government, while seeking peace, to employ all its capabilities and regional and international relations to provide total military support and backing to the Sudanese armed forces because the building of an efficient, powerful and modern army is vital to Sudan in times of peace and war alike.

In calling on the government to support the army, the Ba'th Party said that the more urgent task, both at the official and popular levels, is the matter of providing support for the army so that it may get the upper hand in the military operations fields, inasmuch as the war is still going on, and may regain the strategic balance, about which the Ba'th Party said: "Those who care about the future of the country view it as more of a requisite for the nation than for the armed forces. By having superiority and strategic balance, the armed forces can bring the insurgency to the constitutional conference arena should the latter insist on the escalation and continuation of military operations."

The Democratic Arab Ba'th party had criticized previous government policies that had an impact on the army's structure, particularly during the dictatorship of al-Numayri who dominated the army in the name of the people and the people in the name of the army. Such domination has an impact on the army in terms of equipment and combat gear, not to mention the constant displacement of its human and technical capabilities that were being retired, one group after the other.

The Ba'th party said that when the army sided with the people to overthrow the al-Numayri dictatorship, national hopes that democratic governments would support the armed forces had taken root. The policy adopted

by successive governments, however, failed to generate support for the armed forces or to put a stop to the civil war. Foreign policy, that followed a path set by Libya and Iran, played a role in impeding the flow of military support to the Sudanese armed forces which, their limited combat requirements notwithstanding, are fully performing their patriotic and military duty with high efficiency and ability in the various battlefields.

**Unions, Parties March for Peace**  
*NC0806162889 Cairo MENA in Arabic*  
1514 GMT 8 Jun 89

[Excerpt] Since morning, the Sudanese capital, Khartoum, has been the scene of a huge march involving all Sudanese trade unions and parties except the [National] Islamic Front. Tens of thousands came out to express popular support for peace in southern Sudan and for the efforts of the Sudanese Government to implement the peace treaty signed on 16 November between the Democratic Unionist Party and the John Garang-led popular movement.

The march set out under police protection from the Republican Palace along University Avenue, covering 5 km to the Culture and Information Ministry, the capital municipality, the Interior Ministry and the 6 April Gardens.

Participants carried signs calling for continued efforts to achieve peace and to hold the constitutional conference as soon as possible. [passage omitted]

**UNITED ARAB EMIRATES**

**UAE's Re-Export Trade With Iran Expected To Face Setback**  
*44000529 Dubayy KHALEEJ TIMES in English*  
14 May 89 p 3

[Article by Jawed Naqvi]

[Text] Dubayy's re-export trade with Iran, not very healthy at present given the uncertainties surrounding key economic policies in Teheran, is bracing for another setback in the coming weeks.

Local trade is seeing the threat of a new wealth tax due to be implemented in Iran from 9 Khordad, corresponding to the beginning of June, as yet another measure in Teheran which could have disastrous consequences for exports from Dubayy to that country.

According to Iranian businessmen in Dubayy, the wealth tax, which is to be levied at the rate of between 15 to 40 percent of all assets above 10 million tomans, has already given rise to large scale distress selling of properties and other assets all over the country.

The tax is to be levied with retrospective effect from July 1988. This, according to trade sources, has led to a spree of selling of assets in the blackmarket. Much of this money is said to be now on its way out of the country.

It is expected that such a large volume of Iranian currency moving out of the country would have an adverse impact on its already depleted value. In Dubayy, sources say, the toman which is selling at 140 to a dollar could touch 160 or even more in the coming weeks.

While the Iranian measure in implementing the wealth tax has been designed with a view to curb inflation and to put some of the private money into the government's hands to help out with the reconstruction activity there, Iranian sources feel that conspicuous consumption and ostentatious living standards would also be naturally checked in its stride.

A considerable volume of the re-export cargo from Dubayy to Iran was in the form of durables and electronic items. Traders fear that this segment of the business would suffer greatly from the curbs which are likely to be imposed by individuals on the flaunting of their wealth.

Among the properties now subject to wealth tax would be the poshy houses of rich bazaris living in the north of Teheran who invariably have other interests such as in agriculture and orchards. There is provision also for levying tax on locally manufactured cars built from 1984 onwards while the foreign cars would be taxable from 1980 model onwards.

#### **Garment Industries Look for Quota-Free Bases in Gulf**

44000520 Dubayy GULF NEWS in English  
1 May 89 p 11

[Article by Arun Solomon: "Garment Units Look for Quota-Free Gulf Bases"]

[Text] Readymade garment manufacturing units in the UAE [United Arab Emirates] faced with an uncertain future having attracted U.S. import restrictions and possibility of below capacity internal visa allocation are considering shifting operations to other quota-free GCC [Gulf Corporation Council] countries.

One of the large units operating in Jebel Ali has all ready shifted its operations to Oman and three others, industry sources said, are presently negotiating with other GCC countries.

Industry sources, however, made it clear yesterday that by and large the foreign investors in the readymade garments sector would like to continue operations in the UAE. The reasons being excellent infrastructural facilities, minimal bureaucratic procedures and an upbeat outlook on the UAE's economic future.

Presently, confided one source, each manufacturer is keenly awaiting the decision of others to shift to other destinations. In case that comes about in sizeable numbers, they argue, the "very generous U.S. quota would be a boon for those who decide to stay."

The only possibility of something going wrong, the sources said, would be in the event of unfair internal production allocations. The manufacturers fear that some influential businessmen might be able to corner huge allocations at times even above their installed manufacturing capacity which would eventually harm others.

Yet another very imaginative and perhaps enterprising section is toying with the opportunities UAE offers in the form of Omani enclaves within the Emirates. These men are examining the chances of being able to set up units in these small strips of land masses in the UAE to beat the quotas imposed on the Emirates.

The advantages are apparent. If and when such units are set up they would enjoy most of the facilities UAE manufacturers have at their command and yet would be operating in a quota-free member state of the GCC. However, none of the manufacturers have yet set up shop in these outwardly attractive optional areas.

Readymade garments manufacturers are also worried that the U.S. quota imposition may be followed by other economic blocs and the one most likely to follow suit is thought to be the European Economic Community (EEC). Though Japan too has declared that it would not restrict imports of readymade garments from the UAE, this concession is, however, a bit tricky as in Japan the UAE manufacturers would be competing with other Far Eastern units whose production costs are considerably lower.

The other factor which might stem large-scale migration of readymade garments manufacturers from the UAE to other GCC countries is the latter's reluctance to allow more foreign labourers to enter their territories. Oman is notably strict on the import of foreign labour and garment industries are labour intensive. The principle of restricting entry of foreign labour apart there is the problem unique to the garments industry which relies heavily on females, with the inherent possibility of social problems.

The UAE's readymade garment industry has grown dramatically. In 1985, only six units were in operation and till 1988 end 58 licences had been issued. According to a report of the Emirates Industrial Bank (EIB), "Total registered garment factories are twice the number currently operating. There are some 1,359 tailor shops with 10 or less employees who also produce garments but mainly for the domestic market."

The EIB report notes "Certain domestic and international factors contributed to the rapidity at which UAE's

garment sector grew. On the domestic front, the UAE provided excellent infrastructure, transportation, communication and banking facilities. In addition, free zones encouraged foreign investors wanting 100 per cent ownership. Being an open economy, the UAE enjoyed good trading relationship with many countries and the absence of custom duties or taxes gave investors an extra incentive to locate here.

"The open economy also made it easy for the garment manufacturers to source machinery, raw-material and labour from the international markets at competitive prices, passing on the savings to their customers. Cost

effectiveness and ease in performing business were major considerations for setting up garment manufacturing units in the UAE."

The EIB report concluded "Quota or not, the UAE's textile and garment sector will continue to prosper. Changing economic conditions in the U.S. and the Far East enabled UAE to become an important readymade garment producer. Enjoying a comparative advantage in this industry, UAE will continue to be competitive internationally and a greater range of its apparels will be exported."

## BANGLADESH

### Students Riot Over Expulsions

BK1206082689 Hong Kong AFP in English  
0812 GMT 12 Jun 89

[Text] Dhaka, June 12 (AFP)—One person was killed and some 400 were injured in clashes with police as violence and cheating continue to mar college examinations throughout Bangladesh, press reports here said Monday.

The reports said Obaidullah Nayeem, an examinee, was killed Sunday at a college centre in the coastal district of Barisal during which some 100 others, including a local magistrate, several teachers and policemen, were injured.

Authorities guarding Bangladesh's 511 nationwide centres administering higher secondary certificate (HSC) examinations to 322,993 students since Thursday also reportedly expelled some 8,000 students on Sunday for alleged cheating.

The English-language daily NEW NATION said Sunday's violence at Muladi College in Barisal followed the expulsion of four candidates for cheating there on Thursday.

Several hundred supporters of the expelled candidates went on a rampage, breaking benches and beating up candidates, teachers and officials at the college centre, reports said.

The marauders made off with some 400 answer scripts before police gained control of the situation, firing warning shots after using baton charges and teargas to no effect, reports said.

An injured senior local officer is reported to be in serious condition.

HSC exams are crucial for students wishing to join the Armed Forces or enter universities in Bangladesh or overseas.

On Thursday, police fired blanks to disperse crowds that had broken into two exam centres to try and help candidates, and authorities nationwide expelled some 4,000 examinees for cheating.

Newspapers Monday reported violence at several exam centres in Manikgang District near Dhaka where angry mobs had set ablaze a government vehicle and blocked traffic on a highway to protest previous expulsions for cheating and police action.

Some 100 people including police and students were injured as police tried to bring the situation under control.

According to the daily SANGRAM, most of the 8,000 students expelled Sunday for cheating were from the central Dhaka region, one of the four secondary education boards conducting the exams.

It said some 3,200 were expelled from Dhaka, followed by 1,600 from the Rajshahi Board, 1,500 from the Comilla Board and 1,600 from the Jessore Board.

The daily also reported suspension of 33 on-duty college teachers for negligence and helping students to cheat. Fourteen teachers had been suspended Thursday from exam duty on similar charges.

Also on Thursday, two policemen were injured and 10 people were arrested during a clash in Daudkandi county in Comilla District.

Authorities in all 511 centres enforced a ban on gatherings of more than four people within 200 yards (182 meters) of the centres during the exams.

Education Minister Sheikh Shahidul Islam told Parliament last week that teachers found abetting cheating would be punished following reports that candidates sometimes bribed teachers to help them pass.

### Commentary Calls for Democratic Elections

46070019 Dhaka DAINIK ITTEFAQ  
in Bengali 6 Mar 89 p 2

[Article by Mainul Hossain: "We Need Permanent Arrangements for Impartial Elections"]

[Excerpt] In Bangladesh, there is a close relationship between democracy and development. The maintenance of our assistance programs depends upon the government's progress toward holding reliable, free and impartial elections.

The people cannot know about opinions expressed regarding Bangladesh in other parts of the world. The reason is that all news does not reach Bangladesh. The government circles always indicate their inclination towards publishing only favorable comments made by foreigners. Consequently, in most instances, only partial statements are published. At times, the comments made by foreigners are even distorted. It is difficult to realize whether it is done as government policy, or implemented by some overzealous individuals.

The disadvantage of a totalitarian administration is that the power is centered in the hands of a particular person, and a group of opportunist persons who gather around him, those who may not even hesitate to confuse the dictator.

I do not believe that we have to decide the good or bad of our country based upon the opinions of foreigners. The responsibility of deciding the welfare of the country depends upon the people of the country. No matter

wherever they may be, the real condition of the country, and the direction the country is taking should be considered by all. The desired change in the country must be brought about by an educated and conscious population. It is expected that friendly nations would support this endeavour to bring these changes. Friends of the people are the friends of the nation. Naturally, common people are suspicious of the real intentions of those who would help and support a government which has no backing of the people. In our country we place great emphasis on the role of the United States and Great Britain toward establishment of democracy here, and we expect their help in this respect. Of course, it is not pragmatic to expect that any foreign country would give prominence to the interests of our country over theirs.

The United States is a great democratic country and is the leader of the free world. We believe the American people are also interested in projecting this image to the people of other countries. But the truth is that the American Senate has traditionally played a more positive role in maintaining democratic values than the American administration. There are some among the large number of specialists in the American administration who consider that since the condition of many countries is not similar to that of the United States, democracy is not applicable to them. For this very reason, in matters concerning foreign affairs, dictators like Marcos, Noriega, and Zia-Ul-Haq have received help and support from the American Government. American President George Bush in his inauguration address said that a new wind is blowing all over the world, and the days of dictatorship are over. If during his administration he is able to reflect this belief, people oppressed under the dictatorial administrations all over the world will feel encouraged. However, I would like to emphasize that unless we are able to generate support and respect from our own people, help from foreign countries will not matter much. In the language of the Shah of Iran, it would be discarded like dead rats. When the usefulness comes to an end, the fall becomes tragic. The good aspect of democracy is that nobody has to be a puppet in anybody's hands. No foreign power can blackmail either. As the symbol of national pride, a government of the people receives respect and importance. Nobody has to worry about the consequences of conflicts, fights and violence.

It is no longer possible to cover up the failures of the government. Almost a total standstill has developed in the administration. Foreign advisors have also started to realize this. There is nothing left in our national life to feel encouraged of, or to be proud of. The government has destroyed all that. At the same time, no nation can become respectable without a feeling of pride in social structures built on justice. Today, in our society, there is no place for honest and respectable persons.

It is no longer possible to pass a voter-less election. The government will have to hold the election over again. But the question is, since the government has created such a vacuum without an opposition; to what extent will it be

possible to overcome all existing obstacles and establish democracy through peaceful elections? How many among the leadership of the opposition parties sincerely believe in democracy? How could it be ascertained that they would not be used against each other? The biggest question is whether those who have become accustomed to the politics of accommodation, can guarantee that they would not compromise with each other and resort to sharing money, voting sheets, etc.? As such, all precaution needs to be taken to ascertain free and impartial elections. I believe a strong demand must be made for implementing an administrative process for holding elections under the supervision of an impartial body. In this country there [are] no provisions to ensure that if the incumbent administration party participates in the election, it can be impartial. Some permanent steps must be taken now to ensure that the country does not face repeated crises in holding regular and impartial elections. Elections would be held to preserve the sovereignty of the people and the establishment of democracy with the people's right to vote. It will take time to establish a true democracy; it needs proper leadership. There is no point denying that there is a dire need of democratic leadership in our country. As such, everybody should have a voice in the matter of holding an election, and it should not be limited to political parties alone. All professional and intellectual groups need to participate in this effort to establish democracy.

There has been plenty of personality worship; no more. All classes of people have struggled for a long time; many have shed their blood to establish a responsible and trustworthy government, to preserve the political rights of the people, and not to divide status and positions among a few through their private accommodations. For this reason, not only should there be a change in personalities, but in the system itself.

## INDIA

**Gandhi Talks to Reporters in Calcutta 8 Apr**  
46001447 *Calcutta THE STATESMAN*  
*in English 8 Apr 89 p 9*

[Text] The rise of fundamentalism in Bangladesh is directly responsible for the influx in Bangladesh nationals into India, Mr Rajiv Gandhi said in Calcutta on Friday. The Bangladesh nationals, according to him, were infiltrating into India partly because of the fundamentalist policies being pursued by Bangladesh. "This is bad," he said emphatically.

Replying to reporters' questions at Calcutta airport before leaving for Delhi after his 2-day visit to West Bengal, Mr Gandhi said the influx was also the result of the economic differences between India and Bangladesh. The prime minister said he had been in touch with the Union Home Ministry and the West Bengal chief minister on the influx problem. "We want to take steps and would like the state government to do likewise."

Referring to the absence of an agreement with Bangladesh on the sharing of Ganga waters, Mr Gandhi said India was "not willing to unilaterally extend the temporary agreement which India has with Bangladesh."

Mr Gandhi said he had "taken a very strong stand with President Ershad" when the latter visited Delhi. "I had also told him that India wanted a permanent solution and not a temporary agreement."

Asked whether India was trying to become a "superpower" as had been published in an American news magazine, Mr Gandhi categorically said that India had no ambitions of becoming a superpower.

Replying to a question on the Assam chief minister, Mr Prafulla Mahanta's allegation that the Centre was trying to topple the AGP (Assam People's Council) government there, Mr Gandhi said there was no question of "toppling any government."

Replying to a question on the expiry of the Indo-Nepalese trade and transit treaty, Mr Gandhi said, "First, let me say that we are willing to do anything that international norms require." He promised that there would be no problem in doing what was required by international norms. The prime minister added, "We feel that there should be one treaty for trade and transit." He also felt that there were "certain things which need to be sorted out between the two governments."

He assured reporters "We will chase the Bachawat committee for its report on wage revision of journalists and non-journalists."

### **BJP Official Hints Gandhi May Postpone Elections**

46001449 Calcutta *THE STATESMAN*  
in English 10 Apr 89 p 1

[Article by Sanjeev Gaur: "P.M. May Impose Emergency, says Vajpayee]

[Text] Shimla, 9 April—Mr Atal Bihari Vajpayee, leader of the BJP [Bharatiya Janata Party] group in Parliament, thinks that the Prime Minister Rajiv Gandhi may impose Emergency to postpone the general elections. The BJP leader expressed this apprehension regarding the imposition of Emergency while addressing a crowded press conference here today.

Answering a pointed question Mr Vajpayee said: "There are three possibilities. The prime minister may hold the election on time, he may hold the elections in June to synchronize with the Operation Bluestar anniversary and he may impose Emergency to postpone the elections."

In reply to another question, Mr Vajpayee said that "it would be suicidal for the ruling party to play the Punjab

card in the next general election. The BJP leader, while answering a volley of questions on the current Punjab situation, stressed that the Punjab problem would not be solved till the Rajiv Gandhi Government was in power. He said the law and order situation had not improved in Punjab after the imposition of President's rule in the troubled State in 1987.

He blamed Akalis of all hues for the lingering troubles of Punjab. The BJP leader remarked: "The Akalis are a divided lot and they keep changing their stands. I hold them equally guilty for the current lingering troubles of Punjab. If the Akalis have to play a positive role in solving the Punjab problem, they will have to condemn the terrorists without mincing words."

In reply to another question, Mr Vajpayee said that the panchayat election should not be held in Punjab in view of the grave law and order situation in the State. He further said that the prime minister was not sincere in solving the problem. When asked whether Mr Rajiv Gandhi was following the policy of his mother in dealing with the problem. The BJP leader quipped: "The present prime minister has no policy."

Mr Vajpayee evaded questions about his party's assessment of the 21-month-old Devi Lal regime in Haryana in the light of charges of rampant corruption and nepotism. The BJP is the ruling alliance partner in Haryana. When pressed for a reply, Mr Vajpayee remarked: "We have not made a full assessment of the Devi Lal Government so far."

Earlier, in a statement circulated at the start of the press conference, Mr Vajpayee demanded that the report of the Special Investigating Team [SIT] constituted on the recommendations of the Thakkar Commission to inquire into the killing of the late prime minister be made public along with the full report. The BJP leader said: "People of the country have a right to know what the SIT says and what the truth is, so that the strong suspicions growing in the minds of the people should go."

Saffron and green BJP flags and banners could be seen all over the town. And there were thousands of BJP activists—men, women, and children in the streets and bazars of Shimla, all shouting slogans denouncing Mr Rajiv Gandhi and the Himachal Pradesh chief minister, Mr Virbhadr Singh. The most popular slogan at the huge BJP rally at the ice skating rink today was: "Gali gali me shor hai Rajiv Gandhi chor hai."

People came from all over the State for today's rally—the largest in recent years, according to observers. The ice skating rink, was overflowing with people. Several BJP stalwarts, including Mr Atal Bihari Vajpayee, Mr Shanta Kumar, former Himachal Pradesh chief minister, Mr Bhairon Singh Shekhawat, former Rajasthan chief minister and Mrs Sushma Swaraj, Haryana Education Minister, addressed the rally.

They all made hard-hitting speeches mainly attacking the Rajiv Gandhi Government. Of course, Mr Vajpayee was the star attraction at the rally. He said: "Rajiv Gandhi has failed on all fronts. He has bungled with the Punjab accord and he is bungling with the Assam accord."

The BJP leader called upon the people to throw out the Rajiv Gandhi Government. He remarked: "Rajiv Gandhi is the worst prime minister we ever had. He is surrounded by all types of scandals. He says he did not accept money in the Bofors gun deal. We ask who took the money then."

Mr Vajpayee also criticized the prime minister for repeatedly threatening the non-Congress(I)-ruled States. What is the problem after all?"

Mr Vajpayee claimed that the BJP was fighting for bringing about a radical change in the system. He remarked: "People are fed up with the Congress(I) and they want change. The BJP is engaged in the fight to change the corrupt system."

Mr Vajpayee was lustily cheered when he announced: "We shall not only remove the Rajiv Gandhi Government but we shall uproot the corrupt Congress(I) from the country."

**Vajpayee on Ambitions, BJP Chances in Election**  
46240039 Calcutta RAVIVAR in Hindi  
15 Apr 89 pp 49-51

[Interview with Atal Bihari Vajpayee by Rajesh Rapariya: "Whoever Becomes the Next Prime Minister Will Be Better Than the Present One"]

[Text] [RAVIVAR] In the present political situation how do you evaluate the position of the BJP [Bharatiya Janata Party]?

[Vajpayee] The party has recovered fully after the shock it had received in the 1984 parliamentary elections. Some improvement in the situation took place in the 1985 state assembly elections. In the recent years, the party has been able to broaden its base among the people. The farmers are now affiliated with the party in large number. Support for the party has increased among the scheduled castes and tribes. In Karnataka and Maharashtra the BJP has won graduate constituency seats for the legislative council. The great success achieved by the BJP in the local bodies elections in Uttar Pradesh is indicative of the increasing popularity of the party. The BJP is determined to face the challenge of the next election with confidence. To look for a party other than the BJP as an alternate to the Congress at the center is as futile as to look for a flower in the fig tree.

[RAVIVAR] With regard to the rumour and context of the BJP-Shiv Sena alliance you had mentioned that Shiv Sena would have to change itself further. Will you please clarify this statement?

[Vajpayee] Like all other parties Shiv Sena is also undergoing a change. Now its anti-South India stance has lessened. If it has to win the confidence of Maharashtra as a whole it has to muster more public support. By giving a slogan of boycotting the Sikhs it has demonstrated that it has a very narrow view of Hinduism. Only a broad-minded Hindu can shape India's future.

[RAVIVAR] Recently both the BJP and you have started talking about Hinduism. Don't you think in this way you may lose several such supporters and patrons who consider you a liberal and secular?

[Vajpayee] There has been no recent change in any of the policies of the BJP. The party is fully committed to the ideology of a secular state and equality-based society. Those people in the BJP who have been associated with the R.S.S. (Rashtriya Swayamsevak Sangh) have always been proud of being a Hindu. Those who are not Hindus have been faithful to their respective sects or religions. But, all of them take a pride in being an Indian. The party will fight the elections on merit of its own political, economic, and social programs. For me Hinduism is not a matter of catching votes, it is something to reflect upon in order to give meaning to life. I live secularism, I do not wrap it around me. I do not think my friends will misunderstand me.

[RAVIVAR] In Udaipur you had said that those who want to seek help from the R.S.S. will have to change their attitude accordingly. Is this not different from your own stand in 1979 when you used to say that the R.S.S. had to change itself?

[Vajpayee] The first point in this regard is that it is not 1979, it is now 1989. Second, during the last decade much water has dried in the desert of politics. Politics has very much become power-centered. In this difficult situation the R.S.S. has set an example in purposiveness, discipline, and in selfless service. Its role in maintaining brotherhood among the Hindus and Sikhs in Punjab has been significant. In tribal areas its dedicated services will leave an everlasting effect. In this way, during the last decade while on one hand the R.S.S. has further refined itself, on the other, the wrong policies of the so-called secular parties have encouraged fundamentalism. Hindus have started wondering whether being a majority is a crime. If this feeling is not removed it will have harmful consequences. After the communal division of India its emergence as a non-communal state has been possible because of the ideology of Indian Hindus of treating all religions equally. In order to maintain this ideology it is necessary to discard all sorts of communalism. If the communal stance of the minority section is encouraged just to catch votes and the majority section, on the other hand, is branded communal, it will only weaken secularism.

[RAVIVAR] Your party, at present, is working in isolation. In view of the political equations do you feel it can be effective in the elections? Don't you think it may be left behind?

[Vajpayee] The BJP will coordinate for seats with other nationalist and democratic parties in order to defeat the Congress. If this does not work, it will fight the elections on its own strength. There are some areas where only the BJP will be able to defeat the Congress. If other parties vie for getting elected there the voters will not support them because they will not let the Congress win by dividing votes. In other areas the BJP will have to face similar situation.

[RAVIVAR] Last year, in the month of August, you had made a plea to form a federal party by combining the opposition parties. What was its basis? Do you still hold the same view? If even now a federal party is formed will you join it?

[Vajpayee] In a federal party, at first, all the parties would have strived to work out a common program while maintaining their individual identity, and then, they would have fought the election. In this the regional parties would also have participated on the basis of equality. Our earlier experience with merger of the parties together has not been good. If on all questions, including that of even selecting officers and candidates, one has to think only in terms of one's own constituent party, then the mask of one party will not influence the voters enough.

[RAVIVAR] In 1977, at the time of composition of Janata Party, Jan Sangh had agreed to its merger, although, there were serious differences of opinion among the constituents. Now what difficulties are there in the way of another merger?

[Vajpayee] The question of making one party again on the basis of mergers does not arise with those who had disintegrated the Janata Party on a lame excuse of dual membership and thus had committed a crime of bringing the Congress back into power. Disagreements in the matters of policies and programs also are impediments in a merger.

[RAVIVAR] What are those issues on which your party does not want to compromise?

[Vajpayee] Where is the question of compromising or not compromising? We want to cooperate with others while maintaining our separate identity. In 1977 the circumstances were exceptional. The very institution of democracy was at stake. In order to restore democracy we were prepared to go to any extent. Today's circumstances are different.

[RAVIVAR] You had mentioned at Udaipur that by way of being a Hindu you unite with the universe, but, as an Indian you are limited within the bounds of a country. Can it mean that you consider your religion to be greater than the country?

[Vajpayee] To conclude from my address at Udaipur that I consider religion greater than the country is

ridiculous. From the saying, "Abandon the world for the sake of your soul," it cannot be concluded that one has to be so much engrossed in egoism that he should neglect the world. At Udaipur I had stressed upon the fact that along with taking pride in being a Hindu we should also take pride in being an Indian. In this context I had mentioned, that, as a country India has its limitations but on the level of contemplation Hinduism unites me with the universe.

[RAVIVAR] Until 1986, because of your liberal attitudes, the voters had better image of you for the position of prime minister than of other opposition leaders. Besides the political observers, this fact was also evident from several opinion polls. But now it is not so any more. Is it because of a change in the tone and policies of your party?

[Vajpayee] I have never been a candidate for the position of prime minister. Nor am I today. Despite my so-called liberal attitudes, the opponents of the BJP have been continuing to brand it communal. The communists did not even hesitate in calling us supporters of imperialism, although they already had seen how the national interest was held uppermost during the Janata administration. There has been no change in the fundamental principles of the party. Our policy is to secure additional strength while maintaining our present support. Only the next election will determine to what extent we are going to succeed.

[RAVIVAR] Mr. Advani has projected you as the BJP candidate for prime ministership. How do you take this suggestion?

[Vajpayee] I am not in the race for prime ministership. I was not in it earlier nor will I be later. Mr. Advani might have suggested my name because he did not want to support anyone else.

[RAVIVAR] Why?

[Vajpayee] This question should be posed to him. Actually, to who will be the prime minister; this question should not be raised at this time. If the opposition gets a majority in the election the new members of the parliament will elect the prime minister. V. P. Singh, evidently, has come up as a prominent leader of the opposition.

[RAVIVAR] What do you think are the essential qualities for a prime minister to be successful in the face of having so many different parties as well as conflicting opinions among them?

[Vajpayee] Honesty and ability. Honesty is the basic quality. Along with this one has to have the ability and skill to establish harmony among mutual conflicts of interests in order to run such a big country. But whoever becomes the next prime minister he will be better than the present one. In this respect, I have no doubt at all.

[RAVIVAR] As a political party Janata Dal has taken shape. Do you agree?

[Vajpayee] Janata Dal is taking a form. It is passing through the same difficulties through which Janata Party had to pass in 1977. If constituentism survives a homogeneous party will not be formed. It is why we are not in favor of a merger. It is possible to work together even while maintaining separate identities; on the other hand, there may be infightings within a party.

[RAVIVAR] But, at that time the basic problem was of dual membership.

[Vajpayee] The basic problem was not of dual membership. It was related to personal ambitions. We, therefore, want to ask why even now quarrels are going on while there is no Jan Sangh today nor is there a question of dual membership. Even at that time the question of dual membership was not the primary question. This was frequent. It was made into an instrument to disintegrate Janata Party. Janata Party was disintegrated because some people and groups had unlimited ambitions.

[RAVIVAR] Do you, then, think that today the leaders have no ambitions?

[Vajpayee] No. Ambitions are working even today. But a limit must be put on personal ambitions. If limits are not again placed on ambitions, Janata Dal will meet the same fate it did in 1979.

#### **Dange-Led Communist Party To Back Gandhi**

46001448 Madras THE HINDU in English  
8 Apr 89 p 10

[Text] Calcutta, 7 April—The Communist Party (CP) set up under the chairmanship of Mr S. A. Dange, following the merger of All-India Communist Party (AICP) and the Indian Communist Party (ICP) formed by the late Mr Kalyanasundaram of Tamil Nadu and the splinter groups of the CPI [Communist Party of India] will fight the counter revolutionary and destabilisation forces represented by opposition groups like the National Front and its allies including the CPI and CPI(M) [Communist Party of India-Marxist]. It is also committed to extend its support to the Congress(I) Government led by Mr Rajiv Gandhi.

Talking to presspersons here the general-secretary of the party, Mr Mohit Sen, said the Communist Party felt the one-point programme of the other Opposition parties including the CPI(M) and CPI, for the removal of the Rajiv Gandhi Government was fraught with danger as it will amount to supporting forces of destabilisation. This party would, however, support the Rajiv Gandhi Government without joining hands with the Congress(I).

Mr Sen said the Congress(I) had failed to pursue progressive policies on the economic front and failed to involve the masses in truly democratic developmental activities.

At the same time it has pursued national and anti-imperialistic foreign policy which merited support. The Congress(I) performance in West Bengal was reprehensible it had also failed to take the initiative to mobilise national, secular forces to strengthen unity and democratic traditions.

Yet there was no alternative to the Congress(I) at the Centre at the moment and till left democratic secular and progressive forces were strengthened to replace the Congress(I) the Rajiv Gandhi Government should be supported.

Referring to the Punjab situation, Mr Sen who had just returned from a tour of the strife-torn State said the situation had greatly improved. The State Administration had nearly ended the parallel administration run by terrorists. Unfortunately the government did not take appropriate political initiatives. The government seemed to rely on the bureaucracy and police.

#### **Interview With CPI General Secretary Rajeswara Rao**

46001444 Calcutta THE TELEGRAPH  
in English 2 Apr 89 p 10

[Interview with C. Rajeswara Rao, who was recently re-elected the general secretary of the CPI by Manini Chatterjee]

[Text] [Question] The CPI [Communist Party of India]'s main theme at the 14th party congress was communist unity. But since the CPI(M) [Communist Party of India-Marxist] has categorically rejected the offer, do you propose to continue with your efforts for unity?

[Answer] Our party feels that in the present crisis facing India where fundamentalist and reactionary forces are out to disrupt the unity of the country and Rajiv Gandhi is unable to manage this country, an alternative is needed, a better alternative... that is why we think if the communist movement comes together, we can play a bigger role and our capacity for uniting other left and secular forces will be much more. Not only on an all-India level, but in several states we will be a big force... that is why we want all the communists to come together. Here I should like to tell you that this is not against the unity of the left movement. You need not counterpose the unity of the left movement and unity of the communist movement. The left movement also must be united and the communist movement must also be united.

[Question] How do you differentiate between the two?

[Answer] To start with, there was one united communist party. Out of that, first there became two parties and then again their party (CPI-M) split in 1969. The then CPI(ML) [Communist Party of India-Marxist-Leninist] has now split into 17 groups. But we all have a common background and that is why unity of the communist movement (is essential).

The unity of the left movement means there are other left parties which were not part of the communist movement in the past, their backgrounds were different. But now, of course, we have very many common things with other left parties. So, we should try for both. We don't think the unity of the communist movement is opposed to the unity of the left movement.

Then, we have never proposed the question of a merger. We have stated that we must work together and in this process, ultimately, differences will be resolved. And unity must take place on a principled basis—that is what we have said in every document, including the present one. "Principled basis" means on the basis of programmatic points, on the basis of other things, practical points also.... So we have never proposed merger, only the press sometimes does not differentiate between unity and merger.

[Question] How exactly do you differentiate between the two?

[Answer] Unity means united work.

[Question] But you already have united actions...

[Answer] No, (we want) united work on more and more issues. Merger means one party, which we have never proposed. As a matter of fact, we thought it (unity) would be a process. We stated this at the Bhatinda Congress (1978) and during these 11 years on a number of points we (CPI and CPI-M) have come closer. For instance, on international issues we are very near each other. Second, on the question of the foreign policy of the country (it is not the foreign policy of Rajiv Gandhi) we are together. Then, on Rajiv Gandhi's economic and internal policies, we hold the same opinion. With regard to the danger of communal forces, we have the same understanding. So, in these 11 years we have come closer to each other.

[Question] But what about the continuing differences over the programme?

[Answer] Now I don't want to go into that. If that say they their programme is 100 percent correct and there is nothing to change.

[Question] When he was asked this question recently, E.M.S. Namdboodiripad said their programme was not 100 percent correct but had stood the test of time...

[Answer] It means the same thing. I don't want to get into controversies; we have written about it so many times... According to us, their programme even at the time it was drafted, was not correct. For instance, their programme is rooted in the most sectarian programme which we drafted in 1951. But we changed... the united party changed a lot of things from the 1951 programme. According to that programme, the Congress government was succumbing to multinationals and so by now it should have gone under American domination. They

(CPI-M) stated that foreign policy is also going to change. They said that in the rural areas feudalism will be dominant. So that is the meaning of that programme. The point is at that time also it was wrong. And we had so many debates on the programme and we printed all the articles—their articles, our articles. Therefore, to say that their programme is correct and we should adopt that programme is not correct. If they say their programme is a Bible, then all right, let them keep the Bible to themselves.

[Question] But your party has set up a seven-member commission to revise your programme.

[Answer] We will do it. Please understand one thing: we don't think a programme is a Bible which cannot be changed. Our programme was drafted 24 years back. So was their's. Many important developments have taken place in the socio-economic set-up. So we are studying and collecting material, we are bringing out a book as a background for discussion. We are not trying to take decisions on impressions. We are serious about the programme and that is why we are studying the changes that have taken place.

[Question] You feel that both the parties should review their programmes?

[Answer] Let them review or let them not review, we are not bothered. We can only talk of our own party. In 24 years a lot of developments have taken place. Take, for instance, agriculture. All our studies say that now the market economy has come up even in agriculture and the old feudal relations are no longer dominant. So we have come to this conclusion in our programme.

Second is the question of capitalist development. Not only the big bourgeoisie, but the smaller bourgeoisie has also grown; the middle bourgeoisie has grown; capitalism as a whole has grown. Yes, multinational investment has grown, but then the public sector has also grown. Moreover, the present international situation has changed. Now imperialism is not strong enough to dominate such countries as ours. It is difficult for them to dominate even small countries and our country is a big country, a medium developed capitalist country. Our bourgeoisie is quite strong and need not surrender to American imperialists or any other imperialists. And, therefore, many dogmas have to be given up. For instance, the changes that are taking place in the Soviet Union and China. Both the Chinese and the Soviets say the same thing—that the world now has become more integral and more interdependent because of the technological revolution and so many things.

Now, about the CPI(M)'s stand on people's democratic front, they say it will be under the leadership of the working class and the CPI(M). I would like to ask them, how many years will it take them to become leaders of this big country? Till then will nothing happened in this country? If that is so, why have they proposed an

alternative of left and secular parties? Is it people's democracy? So why were they forced to go in for that?

[Question] But that is a transitory stage, isn't it?

[Answer] Everything is transitory. National democracy and people's democracy is also transitory to socialism. So why were they forced to do this? Earlier they said left and democratic front, then people's democracy, then socialism. Now a fourth stage has come up—a left and secular alternative. They do not use the word democratic, just left and secular.

[Question] But isn't that an immediate electoral tactic?

[Answer] No, no, no. They say it is an alternative, an alternative to the Rajiv Gandhi government. So is it people's democracy? Why have they been forced into it? Because many developments have taken place, there is a vacuum today. They (non-left forces) are trying to fill it up, and we (the left) also want to do it. So we say left, democratic and secular parties and forces should come together. So, we are not sticking to dogmas and we do not think that the country will wait till the CPI(M) becomes a dominant force in the country.

Meanwhile, something else will come. We feel that the working class will become stronger, the worker-peasant alliance will become stronger, and the communist movement must unite in order to make these forces stronger. We see it as a process. But we are not dogmatic and do not say that we will become a leading force and until then nothing will happen. Let them keep their dogmas...

[Question] Ideally, you would like a joint programme commission so that both the parties can together review their programmes?

[Answer] Don't get into that. We want to review our programme. It is up to them to decide on their programme. We have already passed a resolution that a full-fledged discussion will take place in the party (on revising the programme). We will invite left intellectuals also to contribute. And after a full-fledged discussion, we will hold a special congress (for the purpose).

[Question] Apart from the programmatic differences, you also have differences with the CPI(M) over the tactical line, particularly in Andhra Pradesh...

[Answer] Yes, there is the question of Andhra and Assam and Tamil Nadu where we have different assessments. And we don't think the way they pose the issues is correct. Take the Telugu Desam Party (TDP) now you will see the fate of TDP... and so, they (our differences here) will be resolved in practice.

[Question] Coming back to unity, are you ruling out the question of merger at a future stage?

[Answer] It is not on the agenda. What is on the agenda is united work on the issues on which we are together. Why waste our time on what should happen in the future and all that?

[Question] How exactly do you envisage unity in terms of organisation and action?

[Answer] Well, in terms of organisation, now there is a coordination committee (of the CPI and CPI-M) only at the national level. We want such coordination committees at state and district levels so that they can resolve whatever differences there are at that level and have common activity on issues on which they are united.

Second, at the mass organisations level, there can be one united trade union organisation of the four left trade unions and to start with the CITU and AITUC can come together. The AITUC has already stated this. In the same way, there can be other common mass organisations.

[Question] Regardless of the CPI(M)'s attitude towards unity, are you hopeful that some of the Naxalite groups will come to your fold?

[Answer] Of the 17 Naxalite groups, 15 have changed their views. They have given up some of the Maoist ideas they had been holding. Only two groups, the People's War group in Andhra Pradesh and the Maoist Coordination Centre in Bihar continue to hold the earlier views (individual annihilation, anti-Sovietism etcetera). In Andhra, three Naxalite groups are already working with us on many issues. We, therefore, want to bring them back to the mainstream of the communist movement.

[Question] In Bihar, if the IPF [expansion unknown] and the CPI get together, do you think you will become a major force now?

[Answer] We are already talking to each other but don't talk in terms of major force or minor force and all that. I am only talking of bringing these groups, which have been changing, back into the mainstream. They are changing because of their own experiences and also because of the changes in China.

[Question] In view of the discussion at the Calcutta congress, will you concentrate on building up an independent left revolving around mass struggles or will you continue your ties with bourgeois opposition parties in an attempt to improve your electoral strength?

[Answer] When elections come, we will think of electoral tactics, not now. Because many changes will take place before the elections. Now we are more interested in mass movements and struggles on our own and in unity with other left parties. On some issues, also with secular, bourgeois parties. [as published] On the issue of peace we are even (willing to go along) with the ruling Congress(I).

Regarding communalism, the main issue which has cropped up is the Babri Masjid-Ramjanmabhoomi issue where the Hindu communal forces are out to fan communal riots and openly propagate Hindu rashtra. At the recent Kumbh Mela in Allahabad, they announced that on 9 November they will pull down the Babri Masjid and lay the foundation for the Ramjanmabhoomi temple with bricks brought from villages consecrated with Ganga water. This will be a very big danger for the country. That is why we will have a joint movement along with other left parties and secular forces that are prepared to come with us.

Then we will have all-India land struggles, struggles on the trade union front, struggles on the issue of atrocities to women. So, for the next 5-6 months, it is struggles and movements for us.

[Question] Is the CPI opposed only to the Telugu Desam in Andhra Pradesh or is it a more general opposition to all bourgeois parties?

[Answer] No, there is no general opposition to bourgeois parties. We want to build an alternative and we do not preclude adjustments with other secular parties.

[Question] But are such adjustments with Telugu Desam unlikely?

[Answer] What do you mean unlikely? There is no question of it. We have stated this in our report and resolutions.

[Question] But what about parties such as the AGP [Assam People's Council], the DMK [Dravidian Progressive Foundation] and the Janata Dal?

[Answer] We have not discussed it yet. But in principle we are not opposed to having adjustments with other secular opposition parties. Regarding the DMK, in the last elections we adjusted with Jayalalita...

[Question] But that does not preclude adjustments with the DMK in future...

[Answer] We will see. After all, all these parties keep on changing. Only at the time of elections can we discuss it.

[Question] What is the CPI's attitude to the ruling Congress(I)? While you have been a consistent critic of the Rajiv Gandhi government, do you feel it was a mistake to have supported the Congress under Jawaharlal Nehru and Indira Gandhi?

[Answer] That is not correct. If we support certain policies, it cannot be interpreted as complete support to the party. For instance, in our party programme (1964) we have stated: "An alternative path will mean first and foremost the replacement of Congress or any other form

of bourgeois rule by a government composed of anti-imperialist, anti-feudal and anti-monopoly forces capable of and determined to carry out revolutionary changes..." This government will be born out of struggles. On one issue or another we might have cooperated with the Congress, but our programme states that the Congress has to be replaced. That is our fundamental position.

[Question] But sections of your party did feel that the Congress, or at least its leadership, represented the progressive sections of the bourgeoisie.

[Answer] No, No, No, you are all mistaken. There were some sections which were progressive, but we never said the ruling party as a whole was progressive and we should unite with it. But on a particular issue we might have united.

[Question] Despite the rise of reactionary and fundamentalist forces, do you think the left has a better future than ever before?

[Answer] Yes, of course. Those who fight will have a better future. In Punjab, because of our consistent fight against fundamentalists, we have earned the respect of the people.

[Question] But why do you think the left has a better future today than in the 60s or 70s?

[Answer] Nobody can ignore the left today. Rajiv Gandhi's influence is declining and a vacuum is being created and that is why the responsibility of the left has also increased. And people see that the left is playing an important role.

[Question] After repeatedly expressing your desire to resign from the post of general secretary, what has made you stay on for another term?

[Answer] The only reason is that our national council thought that now the change should not be made. But there is a work division between the deputy general secretary and myself and all the other secretaries.

[Question] But you were very reluctant till the very end....

[Answer] Yes, but finally everybody decided that this is not the time for change. We have a system of periodical assessment and making changes. A year ago we made certain changes in the central secretariat and central executive committee. So we will not wait for 3 years but make periodical assessments and make whatever changes that are necessary including the post of general secretary.

[Question] What do you think of the democratisation taking place in the Soviet Union and what impact has it had on the Indian communists?

[Answer] We have stated that more democratisation and more openness is a good thing not only because it strengthens the Soviet system but also because socialism is becoming more and more attractive to larger sections of people in capitalist countries including our own.

[Question] But do you agree with Mr Gorbachev's assessment that the contradictions in the international sphere are being modified?

[Answer] We support the new thinking in general. It is producing good results. For instance, the U.S. imperialists were forced to sign the INF treaty. Now the problem of Namibia and Angola is being resolved. Similarly, many other regional conflicts are being resolved.

[Question] How has this glasnost and perestroika affected the Indian communists?

[Answer] I cannot speak on behalf of the Indian communist movement but only for my own party. As far as the CPI is concerned, we have always had inner party democracy and people express their opinions freely. As a matter of fact, when our congress was attended by some of these parties, they used to be surprised at the extent of inner party democracy.

[Question] Do you think that the thaw in the ties between the Chinese and the Soviet communist parties has a direct bearing on the efforts towards communist unity in India?

[Answer] That has nothing to do with us. They are solving their problems and therefore coming closer. But we have to resolve our differences here and it does not directly depend on what is happening there, though, of course, the atmosphere (created by CPSU-CPC [Communist Party of the Soviet Union-Communist Party of China] ties) will help us.

#### **Kudal Commission on Use of Foreign, Indian Funds**

46001424 New Delhi PATRIOT in English 3 Apr 89 p 1

[Text] The Kudal Commission report, kept secret from Parliament for 2 years, has indicted a large number of voluntary organisations for accepting CIA [Central Intelligence Agency] funds from conduits in Europe and the United States. The commission has also held the Gandhi Peace Foundation, AVARD [Association of Voluntary Agencies for Rural Development] and other groups with which prominent opposition leaders have been associated, guilty of sending sensitive data, border maps and information about politically troubled areas to foreign agencies intent on destabilising the country.

Justice Kudal submitted his first report on 25 October 1984, a week before Indira Gandhi was assassinated. The seven reports submitted to the government by 30 January 1987, were not laid on the table of the House in an understanding that congress leaders reached with the

leaders of the Janata Dal and Lok Dal group. Congress strategists are now demanding that the government disclose the Kudal findings that link prominent Janata Dal leaders with groups "that jeopardise the security of the State," by their functioning, so as to counter the Opposition's campaign on the Thakkar report.

The Kudal Commission has also indicted trusts run by senior Janata Dal leaders such as Mr Madhu Dandawate, his wife Pramila Dandawate, Mr Dhanik Lal Mandal, Mr Purshottam Kaushik, Mr Rabi Ray for misappropriation and diversion of massive foreign and Indian aid funds into unauthorised areas and political activity, including funding political activity, in their own constituencies. Several times in his massive report, Justice Kudal has described many voluntary organisations as "collaborating" with "imperialist forces" and agencies that are disruptive.

One of the biggest scandals was of the Gandhi Smarak Nidhi in Kerala, which received funds totalling over Rs 59 Lakh from World Neighbours. Its secretary K. Janardhan Pillai had in his letter to the donors said "trade unions affiliated to the ruling Marxist party are aggressive. The Opposition parties are finding it difficult to function. Churches and temples are being looted. After the letter, Mr Pillai received another Rs 4.27 lakh. The commission said it could not rule out the possibility of the Nidhi having played into the hands of the CIA. "The Nidhi was found indulging in an activity of a highly questionable nature, bordering sedition."

The CBI [Central Bureau of Investigation] last month started prosecution on about cases under the Official Secrets Act for sending secret and classified data, including large scale maps normally used by the defence forces, to foreign agencies. The commission had given its findings in 180 cases which it fully investigated. Over 210 cases were incomplete when the commission was wound up, and 50 specific investigations had been stayed by high courts. The reports runs into 7,000 pages, and its annexures total over 14,000 pages.

The commission said the government should make new laws to check activities of voluntary organisations collaborating with foreign funding organisations of doubtful antecedents. Justice Kudal identified several such foreign agencies, including the EZE, a West German group, the U.S. group called World Neighbours and a number of European and American church groups.

Justice Kudal particularly noted that most of the voluntary organisations operating in the border, coastal and tribal areas of the country were getting large funds from EZE, West Germany, and other agencies. The funds had no relationship with the constructive and developmental work. A large chunk of the funds were used for various disruptive activities meant to create chaos and destabilisation in the country. The commission demanded laws to stop the flow of foreign funds through voluntary organisations.

One agency, he noted, had demanded that its Indian Collaborator give it sensitive maps and data on the Brahmaputra-Barrak Basin, including geophysical and geohydrological information. "It is a matter of great concern as to why foreign agencies are taking so much interest in collection of such data and information for which they are prepared to dole out huge amounts of money," Mr Kudal said that often enough the Indian groups resorted to clandestine methods to send the information to their donors.

The commission exposed with unrelenting penetration the goings on in the Gandhi Peace Foundation and AVARD, the AVARD foundation for rural development, the Sarva Seva Sangh and several other Gandhian organisations, and the men running them, including Mr Radhakrishnan and others who he held guilty of diverting and misutilising funds. The government, he said, should take over the management of these organisations to ensure that they do not indulge in any activity that may bring bad name to the country and tarnish the image of the Mahatma.

Of the political leaders indicted in the report, most have been found guilty of diverting funds for their own political use. Mr Madhu Dandawate is trustee of the Matri Mandir in his home district Ratnagiri in Maharashtra. The trust received grants from the All India Handloom Board for developing rural marketing. The funds were utilised for other purposes.

Mr George Fernandes, who was the Industries Minister in 1977, ordered the Khadi and Village Industries Commission to give Rs 24 lakh to AVARD and then used the money to serve his political interests, Justice Kudal said.

Mr Dhanik Lal Mandal, then Minister of State for Home, procured Rs 21.50 lakh from AVARD for the Madhubani Zila Samagra Vikas Sansthan for agriculture development publicity. The money was however used to buy and pump and a tractor, used for Mr Mandal's lands.

#### **Pressure on India in Intellectual Property Rights Code**

46001452 Bombay THE TIMES OF INDIA  
in English 13 Apr 89 p 12

[Editorial: "Patent Pressures"]

[Text] India has agreed that the current negotiations on international trade called the Uruguay Round, may cover the issue of intellectual property rights, but keeping open the question whether arrangements in this regard should be made under the auspices of the world trade body, the General Agreement on Tariffs and Trade (GATT). The United States has been pressing for the GATT umbrella in order to use access to its markets as a lever to have its way on issues like patents protection, which is precisely what developing countries wish to prevent. It had become clear from the insistent arguments put forward by the EEC and Switzerland that the

other big players in the patents game also want that the rules in this regard should enjoy GATT sanction. The pressure on the developing countries has been building up for some time, with the United States taking the lead in shutting out from its shores exports from countries—Brazil, for example—for alleged violation of American patents. This is clear notice to the developing countries that their effort at learning by doing to advance their industrialisation is subject to the approval of the industrialised nations. Given the unequal relations among nations, India has had to relent. But New Delhi does not want to admit this. This explains the argument that by participating in the GATT negotiations, it hopes to ensure that provisions on Trade-Related Intellectual Property Rights (TRIPS) accommodate the special interests of developing nations.

But once a TRIPS code is framed under GATT, one or the other industrialised country is bound to use charges of patent violation to stymie industrial exports of the developing countries. This implies that patent rights will be defined in hard terms at the GATT level, and developing countries will be required to bring in legislation to honour these rights. Once that happens, foreign capital and technology will presumably flow more readily into the developing countries. But that will, in turn, lead to demands for opening up the economy to foreign capital. True, India encourages foreign capital in varying degrees in a select range of industries. But the priorities on which selection is based may then be undermined. There is also the danger that TRIPS will pave the way to TRIMS, or Trade-Related Investment Measures. This raises the prospect of Indian policy coming under pressure of powerful foreign interests. When New Delhi talks of influencing the GATT code on patents to secure special and differential treatment for the developing nations, what it really means is that it is working for a second-best deal. It can be argued that this shift in New Delhi's stance stems from a belief that the policy of economic liberalisation makes it incumbent on India to be accommodating in order to maintain access to western capital and technology. Or it may well be that India has really no choice in the matter because resisting western pressures has undoubtedly high costs. Instead of fudging the issues, New Delhi needs to take the country into confidence.

#### **Pakistan Rejects Indian Claims on Number of Detainees**

46001443 Bombay THE TIMES OF INDIA  
in English 1 Apr 89 p 12

[Text] Wagah Border, 31 March (PTI)—The fate of 950-odd Indian nationals reportedly detained in Pakistan has been virtually sealed with the Pakistani authorities rejecting India's claim about the number of such prisoners there.

Pakistan has acknowledged the presence of only 150 out of 1,100 Indians mentioned in a list forwarded recently by India for initiating the process of their repatriation

under the treaty between the two countries, according to Mr W. J. Umranikar, the first secretary in the Indian embassy at Islamabad.

He said the Pakistani officials had also turned down the Indian government's persistent plea for handing over the 53-odd prisoners of war (POW), who were taken into custody by the Pakistan army during the conflict of 1965 and 1971.

There was no Indian POW in its jails had been the stand of the Pakistan government, Mr Umranikar told reporters on his arrival here in connection with the mutual repatriation of 13 Indian fisherman and 37 Pakistani nationals.

The figures compiled by the home ministry, Mr Umranikar said, were based on a large number of queries and letters received by it and the Indian embassy in Pakistan from the relatives of those who were believed to have crossed over to Pakistan, inadvertently or otherwise.

He said antecedents of the "missing" persons were thoroughly investigated by the government before putting forward a claim for their repatriation.

Last year a list of 722, such persons believed to be in Pakistan jails was handed over to the authorities there who "sat over it and did not respond," Mr Umranikar said.

"The exact number of Indians jailed in Pakistan is anybody's guess as we have to rely on the figures provided by Pakistan," Mr Umranikar said.

Moreover, Pakistan is cold to Indian initiatives on repatriation of the prisoners, he said.

Mr Umranikar said the issue of the number of Indians imprisoned in Pakistan, specially the POW's, and their repatriation, would form the main item of agenda during the forthcoming secretary-level talks between the two countries likely to be held in May.

He said efforts were made to meet nearly 150 Indian prisoners, who were brought to Multan Jail from various jails.

Most of them were fishermen, some smugglers and men of the Indian intelligence agencies and few others who strayed into Pakistan territory, Mr Umranikar said.

A talk with them confirmed that there were more Indian prisoners in Pakistan, he said.

Mr Umranikar, who deals with exchange of prisoners, said in his knowledge at least 6 women and 12 children were among the detainees.

Referring to the miserable living conditions in which Indian prisoners were kept, he said there were a number of complaints about the plight of such prisoners.

**Anti-India Feeling in Nepal Analyzed**  
46240040a New Delhi NAVBHARAT TIMES  
in Hindi 22 Apr 89 p 6

[Article by Suryakant Bali: "India's Options in Nepal"]

[Text] Indo-Nepal relations have become as strained as they were friendly once. The relations are so bad now that both Nepal and India are at a loss what to do and both countries want to end this situation.

India is troubled because Nepal, after expiration of mutual trade pacts, is feeling the pinch caused by disappearing basic need items in the market. It is making noise all over the world that a large country like India is pushing economic boycott against it. The world will not stop to investigate the reason why the food from Nepal's mouth is being taken out. India is being blamed for this deed because sympathy automatically goes to the persecuted country. India does not want this negative publicity to keep going.

Nepal wants to end the present difficult situation because it depends on India for its survival. It can always brag loudly [against India], but it knows that it cannot depend on the United States or China for its basic import needs.

Still, why do not they clear up their misunderstanding? To answer this question, we need to understand what caused the problems between India and Nepal. Nepal is a very small country when compared to India. It is not much larger than one of India's provinces. Actually, it has been a part of India from cultural and social points of view. It has become a separate country because the British, who were busy trying to get India under a central government, never tried to get Nepal under its governance. After India's independence, Nepal was worried that India might try to annex it. India, however, never had such plans, nor it has now. There is, however, no remedy for suspicions and Nepal's suspicion increased with some statements that some Indian leaders made and steps that India took.

Once Pandit Nehru said that an attack on Nepal would be considered an attack on India. Nepal reacted negatively to this statement. India tried to clarify the statement nicely; however, the wall of suspicion went on getting higher and higher.

Nepal Congress wants to adopt a multi-party system in its parliamentary system. It always had and still have close relations with India leaders. Nepal's emperors began to wonder if India was conspiring to end the royal rule in Nepal and establish a democracy there. India has never done anything through its talks or action, but the Nepalese emperors kept suspecting India.

Mrs Indira Gandhi had made Sikkim a part of India during her first terms as the prime minister. This made

the emperors in Bhutan and Nepal very alert. They are still very alert despite India's assurance to both emperors.

The continuing suspicion in the minds of Nepalese royalty led to launching of some paper canoes by some vested interests. These canoes cannot be controlled by India or the Nepalese king now. During the era when India and China were waging war against each other, the Nepalese left wing started an anti-India campaign. These anti-India groups joined forces with the suspicious elements within the royalty in Nepal and made its way into the royal palace.

Meanwhile, the king of Nepal made a big mistake. He unwittingly proposed to make Nepal and peace area at his coronation ceremony. His proposal sounds like a meaningless bundle of idealistic emotions. However, it was open to all kind of far-fetching interpretations. The young king had not thought about such results.

Nepal is surrounded from all sides by two countries. China is one side and India on the other three sides. The well-meaning statement that the King had made in order to get some respect for Nepal in international politics was slowly used as a symbol against India by anti-India groups in Nepal. They took some actions that made China appear as their friends and made the pendulum of suspicion against India keep swinging.

A road that is useless for 6 months every year was built from Lhasa to Kathmandu. It was natural for India to get worried. This worry was presented as anti-Nepalese. Nepal closed a 12-mile area on its northern border to foreigners. Indians were also banned from this area; however, there was no ban on Chinese in the southern part of Nepal. Last year Nepal imported 400 to 600 truck-loads of weapons from China. Thus, it sent the message that only India is dangerous to Nepal.

These actions made the governments of both countries suspicious of each other; however, the people in both countries remained friendly. To attack these relations, these forces did three things. First, Indian nationals were required to obtain permits to work in Nepal. According to the 1950 friendship treaty both countries had agreed to give the citizenship rights of employment, business, and the right to own property to citizens of either country. The permit plan scared the 150,000 Indian nationals settled in Nepal. When India objected, it was told to pass a similar law there. The conspiracy called for dismissal of about 65 to 70 thousand Nepalese working in the Indian army and other places. This would have caused problems for those Nepalese workers and their dependents. India showed its natural maturity and refused to do that.

The second act was to levy heavy duty on things imported from India thus making Indian goods relatively more expensive than those imported from other countries. This uprooted many Indian businessmen in Nepal.

The third and the shrewdest act was to ignore Indian government's repeated requests to renew business and cooperation pacts between the two countries. This decreased the supply of daily need goods in Nepal and resulted in long lines in front of stores and warehouses. Then they began to announce in Nepal and New York that India has started an economic boycott of Nepal and that it wants to starve Nepalese people. In other words, "I win even when I lose."

Let us discuss both sides now. The first is the fact that the anti-India forces in Nepal are so successful that they have already formed a government under the leadership of Prime Minister Marich Man Singh Shrestha. Foreign Minister Shailendra Kumar Upadhyaya and the Nepalese ambassador to India both have emerged as eloquent anti-Indian campaigners. This is a very small group and is not associated with the 90 to 95 percent of Nepal's population. However, it is controlling the government because of its strong unity and access to propaganda mechanism. One reason for their success is the failure of the Nepalese king who is suffering from suspicion against India. The other reason is the failure of Indian diplomacy. This small group has used false and weak bridges and made it all the way to the top. The king of Nepal has never made any anti-India statement. What does it mean when Nepal's people are screaming for help and their king is silent?

The second. Why is this group opposing India? This groups thought it appropriate to involve in anti-India activities in order to get Chinese support when India and China were opposed to each other. India and China may not be friends now, they are not enemies either. They are not ready to fight with each other at all. Either this group is not able to understand this fact or it is not able to change its tune at this time.

What should India do? We should be very careful at each step. The situation indicates that the communication between India and the king of Nepal has broken down. We must establish this communication again. It should be remembered that the real power in Nepal lies with the King and not with Marich or Upadhyaya.

During the last 2 or 3 days the government of Nepal appears to have forgotten its bravery and is hinting about holding talks with the government of India. It is obvious that during the last one month Shrestha-Upadhyaya-Shah groups has seen the truth. Why should India refuse to talk with a brotherly neighbor like Nepal? The real question is: Is this group trustworthy? Can an agreement with this anti-India groups be made without the full involvement of the King? This kind of agreement must assure that there will be no more anti-India atmosphere in Nepal.

The Nepalese ambassador in India has expressed a lot of anti-India sentiment. It has become very important for Indian government to send him back to Nepal. It is not hard. Nepalese rulers have already explored China and

the United States when supplies from India has stopped coming in. They did not only return empty handed from there, but also got advice to improve their relations with India.

There should be a new ambassador from Nepal and the new ambassador should be pro-India. After this India should start the supply of essential goods to Nepal. It should be kept in mind that the people who are deprived are not anti-India, but great supporter of our country. Then, India should sign a new agreement with a Nepalese government that is not interested in starting problems with India.

#### **Gurkha Leader Denounces Nepal's Attitude to India**

*BK3005041989 Delhi Radio in English  
0240 GMT 30 May 89*

[Text] The chairman of the Darjeeling Gurkha Hill Council, Mr Subash Ghisingh [West Bengal leader of the people of Nepali origin], has strongly criticized the attitude adopted by the Nepal Government toward India in recent weeks. He said this has cast an unfortunate shadow on the traditional relations of friendship and brotherhood between the governments and people's of the two countries. In an exclusive interview to a leading daily recently, Mr Subash Ghisingh said Nepal has enlarged the controversy over the trade and transit treaties and unnecessarily tried to internationalize it. He described Nepal's decision to whip up the controversy as a calculated political maneuver.

Mr Ghisingh also denounced the recent measures taken by the Nepal Government against Indian nationals, even as the government and the people of India continue to extend the hand of friendship to their Nepalese brethren. He said the harassment of Indians by the Nepal Government is against the long-standing friendly relations between the two countries.

Mr Subash Ghisingh said Kathmandu's actions betray a callous disregard for the welfare and progress of the people of Nepal. Mr Ghisingh said Nepal should think 100 times before it tries to break its historic ties with India, and described such an action as a grave mistake, saying that the facts of geography cannot be changed. He emphasized Nepal should realize that its relations with India are more vital than its ties with 100 other countries.

#### **Indian Nationals Reported Harassed in Bhutan**

*46240040b New Delhi JANSATTA in Hindi  
27 Apr 89 p 1*

[Article by Purbi S. Thapa: "Indians Harassed, Insecure in Bhutan"]

[Text] Futsoling (Bhutan), 26 April—Foreigners, especially Indians, are being harassed and feel insecure in this financial capital of Bhutan. They claim that the

Bhutanese government has created conditions that leaves them no alternatives but to leave Bhutan. The government has cancelled trade permits of two Indian nationals and has suspended 17 more licenses. Another businessman whose permit was also revoked was told to close his business and leave the country within 7 days! According to another report when a businessman died, the Indian embassy had to intervene in order to have the business permit transferred to his son.

There are accusations that work permits of foreigners are not being renewed. There was this report involving Bhutan Calcium Carbide Limited (BCCL). About 170 workers of this organizations will be required to return to India. Dismissal notices effective on April 21 were also given to 16 Indian grade four employees in the electricity division. These workers are thinking about writing a letter to Prime Minister Rajiv Gandhi.

A taxi driver in Bhutan's capital Thimphu was worried that his work permit might be cancelled. This taxi driver from Sikkim has been living in Bhutan since 1968. His work permit is due for renewal in August. He and several of other taxi drivers stated that work permits of many taxi drivers from India and Nepal were not renewed. They had to return to their countries. A builder is returning to Gorakhpur (Uttar Pradesh) permanently along with his nephew. The proprietor of the firm for which they worked came to see them both off at the bus stop. The work permit of the builder was not renewed and his nephew did not want to stay in Bhutan alone. Their employer expressed grief at his government's new policy.

What is this policy? Was it formulated with Indian nationals in mind? Is this allegation true? How true is the declaration that Indians in Bhutan feel insecure?

The truth is that this is not a special policy of Bhutan government and it was not made with a specific nationality in mind. In 1987, Bhutan just like any other developing country faced the problem of over supply of skilled workers and limited job opportunities. The government discovered that there were 113,000 foreign workers employed in Bhutan and 80 percent of development work depended on them. The government also learned that 30 percent of the students in educational institutions were from other countries and 40 percent of its health services were being used by foreigners. The government gave instructions to take measures to help the local laborers and solve the problem of surplus foreign workers. The 1970 policy of work permits and use of identity cards was enforced again. This policy was not practiced until now. For example, there is no need of the Indian laborers hired to build the Bhutan Calcium Carbide Limited. This plant is ready to go into production. Such actions are not limited to Indian nationals. The government has included its own civil service employees under this policy. The government decided to

retain only the most qualified employees. Some departments have issued restricting work permits for Bhutanese also. The principle behind all this is very clear: Those who are not necessary have to leave.

While unemployment is increasing in Bhutan because of surplus foreign labor, Bhutan is also worried about the violent movement carried out by the Gurkha National Liberation Front in Darjeeling.

#### **4,500 Chakma Tribes People Flee Bangladesh Violence**

BK2705113489 Hong Kong AFP in English  
1049 GMT 27 May 89

[Text] New Delhi, May 27 (AFP)—Some 4,500 Buddhist Chakma Tribes people have fled into India from Bangladesh's troubled Chittagong Hill Tracts in the past three days, the PRESS TRUST OF INDIA (PTI) said Saturday.

The news agency quoted Tripura State Home Minister Samir Ranjan Burman as saying that another 15,000 Chakmas were expected to cross the border into the state "at any moment."

Mr. Burman said the tribals, carrying reports of atrocities committed by Bengali-speaking Muslim settlers and the Bangladesh Army, were being housed in five camps in the state.

The latest violence in the rugged Chittagong Hill Tracts broke out May 4 when tribal insurgents assassinated a prominent Muslim official in Rangamati District.

Nine villages were razed to the ground and an estimated 30 people murdered in reprisal raids by Muslim settlers in the area.

The Bangladesh Government has officially denied the resultant exodus to India and has promised safe passage to an estimated 29,000 Chakma refugees currently in Tripura, to participate in hill council elections June 25.

#### **Editorial Examines Obstacles in Indo-Pak Relations**

46070017 Calcutta ANANDA BAZAR PATRIKA  
in Bengali 10 Feb 89 p 4

[Editorial: "Complexities in Indo-Pak Relations"]

[Text] Pakistan has rejected India's proposal to jointly patrol border areas. According to the Indian Prime Minister, Pakistan has developed a missile capable of carrying nuclear weapons to many strategic targets within India. According to an American weekly news magazine, Pakistan has manufactured as many as four nuclear bombs, and each of them are considerably large and their destructive capacities are also significant. Compared to this bomb, the Indian explosion in

Pokhran a number of years ago is diminutive in proportion. The Pakistani newspaper, THE NATION, has informed that the special type of steel needed to produce a nuclear arsenal is currently being manufactured in the country, and the Pakistani scientists are no longer dependent upon favors of foreign countries.

Collectively the above news items are not very pleasing to the soft nerves of India. Prime Minister Rajiv Gandhi recently had a very cordial discussion with the Prime Minister of the restructured civilian administration of neighboring Pakistan who has been able to bring about some change in the suffocating military environment of her country. However, in terms of foreign policy, their military posture still remains unchanged. In other words, the situation has not improved to such an extent that India should feel relieved. Just as it would not be fair to come to the conclusion that when Pakistani Prime Minister Benazir Bhutto states that she is sincerely interested in developing friendly relationship with India, she is not being truthful, it would also be a mistake to assume that she would be able to materialize her enthusiasm soon. The seed of the poison-tree that was planted on the occasion of independence or partition, has been nourished by the waters of distrust and animosity for a long period. It has developed into a large tree and has created a large chasm in the foundation of the mutual relationship. Under these circumstances, it is not fair to expect any quick improvement. Common sense would point to the fact that no matter how much the two prime ministers of the two countries may try, it will not be possible to remove the militaristic postures at the borders and the severe accumulated animosity from the minds of the people all of a sudden. It is also quite practical to assume that such an attempt might create serious internal problems in both countries. In addition, the problems of Benazir Bhutto, Pakistan's prime minister may be more serious. If an allegation could be built up that she is soft toward anti-Pakistan India, immediately her throne could become shaky. In Pakistan, anti-Bhutto politicians are very active. The threat of an India attack is a very useful weapon to upset any government. Naturally, Benazir would have to be very careful to ensure that the opposition does not get any excuse soon. It is very difficult to predict whether any agreement of jointly patrolling the borders would have brought such a danger. However, the unpleasant truth has been revealed from Benazir's decision that the military authorities did not approve of India's proposal.

Rajiv Gandhi's problems in this country are no less critical. Opposition parties are very active in taking advantage of his political problems. The people of this country do not have the mental framework of adopting the traditional characteristic of patience and generosity in accepting that even though Pakistan might not demonstrate any sign of softening, India would have to maintain its gentlemanly posture. There is no doubt about the fact that Rajiv is sincerely interested in developing a better and more friendly relationship with Pakistan. A group of informed citizens are supportive of the

Prime Minister in this respect. At the same time it is not possible for India to accept a situation which might aggravate Pakistan's sense of self-importance or further accentuate its aggressive policy. The idea is deeply entrenched in the minds of many that Pakistan does not really desire a friendly relationship with India; she really wants to get everything by force. With this single minded heron-like concentration in its desire to catch fish, Pakistan is most anxious to build up its arsenal to mountainous proportions. Pakistan has developed its nuclear weapon in total defiance of the United States. The immensely powerful America could not or did not stop it. Chinese support is an ace in Islamabad's sleeve. Recently, even the Soviet Union is demonstrating softening attitudes. Consequently, the masters of Islamabad may consider it to be the ideal time to confine India to its proper place and to keep her from being the big brother of the region. Those who are confident that Pakistan, being empowered with nuclear weapons, is at the point of challenging India, would start exerting pressure on Rajiv to compel New Delhi to change her position regarding nuclear weaponry. It is needless to say, that would be very counter-productive and would cause much grief. At the same time, how could Rajiv handle such a difficult situation? If he goes to demonstrate love toward Pakistan, would not a significant portion of his opponents create considerable difficulty for him?

**Reporter Urges Further Relations With Israel**  
*46070015 Calcutta ANANDA BAZAR PATRIKA in Bengali 4 Feb 89 p 4*

[Article by Sunit Ghosh: "Even the Russians Are Seeking Friendship With Israel. Only India has Doubt, Hesitation."]

[Text] Yitzhak Shamir, Prime Minister of Israel, soon after shaking hands, asked, "What happened to Gandhi?" The day was 23 January. An interview with four Indian journalists and the Prime Minister was scheduled for 5 p.m. in Jerusalem. I was among the journalists. At the time the election results in Tamilnadu had almost been completely announced. Every hour Radio Israel was informing its listeners about the election results in Tamilnadu, Mizoram and Nagaland. The politically conscious population of Jerusalem was extremely anxious to find out what might be the effect on the overall politics of India of Congress defeat in Tamilnadu. For that very reason, Prime Minister Shamir's first question was, "What happened to Gandhi?"

Mr Moshe Arens, Foreign Minister of Israel, had asked the same question four hours earlier during our interview. Intrigued by these questions, I asked Herzol Inbar, Director of Asia Division of the Foreign Ministry, "Are you really that curious about India?" Mr Inbar responded, "you may not believe it, but the people of Israel are anxious to know about India. We keep ourselves completely informed about your country."

In the final week of January, during our travel to that country as guests of the Israeli Government, we four Indian journalists, observed deep interest amongst almost all strata of the Israeli population in learning about India. In Jerusalem, Tel Aviv, Haifa, and wherever we visited, everywhere we heard the same question, "Why doesn't India want to improve its relationship with Israel?" There is no such thing as democracy in any Middle Eastern country. India has no objection to having friendly relations with these countries. Yet, they have objection to having friendly relationship with the only democratic country in the Middle East. Approximately thirty thousand Indian Jews now live in Israel. They did not go to Israel as a result of repression. They volunteered. Many of them consider India to be their motherland. They still have relatives and friends in India. Naturally, they like to come to India from time to time. However, there are many obstacles. Firstly, though there is an Israeli consulate in Bombay, there is no Indian consulate in Tel Aviv, which should have been there a long time ago. Consequently, it takes overcoming a lot of hassles to secure a visa. A visa for India must be applied for either in Cairo or in Paris. One trip is for making the application, and another trip to collect the visa. It involves a lot of hassles, and considerable expense. Why doesn't the Indian Government open a consulate in Tel Aviv even for humanitarian reasons? It is a very legitimate question, however we don't know the answer.

Prime Minister Shamir emphasized, "It is extremely important for us to improve the relationship between our two countries. I cannot find any reason why this shouldn't become a possibility. We have diplomatic relations with many countries who do not agree with us on our Palestine policy. In spite of that, they are maintaining their relationship with us. Now, even the Soviet Russia is trying to improve their relationship with us."

Foreign Minister Arens elaborated on the same matter. He is young in age, an engineer by profession. He is not a veteran politician like Prime Minister Shamir. Without hiding anything he said that a few days ago, at the session of the United Nations, he had a detailed discussion on many topics with Russian Foreign Minister Shevardnadze. The Russians are now realizing the big mistake they committed twenty one years ago by severing their diplomatic relationship with Israel. Russia is very pleased at the sending of an Israeli medical mission to help the earthquake stricken people in Armenia. Shevardnadze has informed the Israeli Foreign Ministry that they would adopt adequate measures to reestablish diplomatic relationship between the two countries. The Soviet Embassy in Tel Aviv is still locked. They think that in the near future this lock will be opened. Moshe Arens believes that the Russian outlook has undergone considerable transformation during Gorbachev's administration. Shevardnadze has informed him, "Soviet Russia would like to play its role in Middle Eastern politics." In response, Arens informed him, "In that case the Russian administration would have to have dialogue with Israel, and establish a normal relationship." Shevardnadze could

not refute the justification of this argument. It should be noted that in the meantime, relationship at the Consulate level has been established. During our presence there, the Soviet football team, Dynamo, came to play there; but India did not send its Tennis team to Israel. Like Russia, China is also eager to establish a relationship with Israel. However, they want to move cautiously in this respect. Recently, in Paris, during a conference on "chemical warfare" China's Foreign Minister held lengthy discussion with Arens. China now desires to improve its relationship with Israel, and become a partner in Israel's great advancement in the areas of science and medicine. It has been decided that the two ambassadors at the United Nations would maintain their contacts.

In India, to come to political power on the basis of popular vote, minority Muslims must be pacified. They have a religious kinship with the Arab nations. The Israelis do not want to accept the argument that it is not possible to maintain a relationship with anti-Arab Israel. "If that would be the case, then how could Egypt and Turkey maintain their full diplomatic relationship with us? They are not at all concerned about other Arab nations. Under that circumstance, why should India be so hesitant?" At this very moment, Israel has diplomatic relationship with 94 countries. Out of them, 82 countries have Embassies. Yet, Tel Aviv does not have an Indian consulate or embassy.

India may not be in agreement with Israel on the issue of the Arafat led P.L.O. India has recognized the P.L.O. [as published] as a sovereign state. Israel is not ready to recognize them. They are willing to have dialogue with other countries of the Middle East, but not with the P.L.O. According to them, the P.L.O. is the foremost terrorist organization in the world. The Israeli Foreign Minister suspects that the P.L.O. had its hand in the explosion of Air India's "Kanishka" and in the recent bombing of the Pan American air plane. Furthermore, the main objective of the P.L.O. is the destruction of Israel. For that very reason they are not yet ready to recognize the P.L.O. Many other countries are not in agreement with their point of view. Under these circumstances, if other countries could maintain their diplomatic relationships with Israel, why could not India do the same? There is no doubt about the fact that India is the largest power in Southern Asia, and one of the major powers in Asia. However, India has no role in Middle Eastern affairs. In spite of this, why is India reluctant to maintain a normal relationship with Israel?

In a speech directed toward the people of India, Prime Minister Shamir said, "We respect the people of India. India is one of the citadels of ancient civilization. It is our desire to establish a normal and friendly relationship with the people of India."

During our week long travel inside Israel we found that people were willing to share the result of their phenomenal success in various areas of applied sciences and

research, in particular, in desert cultivation, application of solar energy, bone marrow transplant in the treatment of Leukemia, and other areas of accomplishment. They only want to know, whether India is interested, and if so, whether it is interested in establishing a normal relationship with Israel.

During the past forty years, the people of Israel have transformed a small sliver of desert on the coast of Mediterranean Ocean into a Garden of Eden. India would benefit from establishing a friendly relationship with Israel. And, if the relationship is not established, Israel would not be inconvenienced at all.

**Commentary Analyzes Nepal's 'Anti-India Tirade'**  
*BK0906124989 Delhi Radio in English*  
1010 GMT 9 Jun 89

[Commentary by political analyst Rai Singh: "Why Indo-Nepal Relations Are Strained"]

[Text] India and Nepal are perhaps the only two countries whose histories, cultures, and traditions are most closely interlinked from times immemorial. Naturally, in order to keep these ties intact and to further expand relations in various fields, India—under the treaty of 1950—adopted an open door policy in respect of Nepal and the Nepalese people. It was in accordance with this policy that India admitted annually on an average 300 students from Nepal into various universities and institutions of high learning in the country. This year the number had exceeded the average of 300, but efforts were not spared to admit even the increased number of Nepali students to the Indian universities.

It appears Kathmandu has—as some observers described it—frowned upon India's gesture. Kathmandu suspects that during their stay in India, the Nepalese students get infected with what it calls undesirable ideas about democracy. But, interestingly, as the students' (?move) for democracy and anticorruption in China acquired the dimension of a people's movement last month, the monarchy in Nepal ordered the release of about 60 of the student detainees, who were arrested in March. But the majority of the Nepali students, especially the student leaders, are still behind bars. The demand for their release is also growing. On the 27th of May, a students' delegation met the vice chancellor of the Tribhuvan university to demand their release and also the reopening of universities. Neither demand has yet been met. Of course, how best Kathmandu deals or does not deal with students, it is its own domestic problem. But what interests India is a strange coincidence.

Kathmandu's hard line on India virtually coincided with the students' agitation in Nepal for more democracy and abolition of the so-called onr-party democracy under the Panchayat system. In March and April 1989, the agitation was started by two students groups—the Nepali Vidhyarthi Sanghatan, which is affiliated to the Nepali

Congress; and the Akhil Nepal Rashtriya Swatantra Vidhyarthi union, which is affiliated to the Nepalese Communist Party. The crackdown on the students was almost immediate. On the 3d of April, the universities were shut down and a number of students were arrested under the Public Security Act. The Movement for Civil Liberties and its leaders have also met the same fate.

It was at this time that the Royal Durbar [court] decided to play its trump card. The right-wing students group, the Democratic Youth Organization, whose patron is said to be the Nepal's prime minister, got into the act and sought to deflect attention from the antimonarchy campaign by giving it an anti-India twist. Thereafter, the Nepal Government moved in and through a series of actions started India-beating. It may be recalled that India-beating has been a time-tested strategy for the government to get out of tight spots. However, the anti-India campaign has not been popular. This is precisely because a groundswell against the monarchy was growing and people suspect that India-beating is a diversionary move.

The strident anti-India tirade launched by the Nepalese Government can be traced to the growing students' movement in Nepal against the monarchy and the panchayati government and Kathmandu's desperate bid to divert attention from it. It is indeed a counterproductive move. Students involvement in political opportunism of this type may backfire, and once this happens it can take a dangerous turn.

The treaty of 1950 and the agreement of 1965 provide the framework within which mutual differences between the two countries can be sorted out. Kathmandu's attempt to deny the validity of the 1965 Indo-Nepal agreement requiring India to fulfill the requirements of Nepal's armed forces would remain an exercise in futility and would only add to the existing misunderstanding between the two nations.

Recent happenings and developments in China should enable Kathmandu to realize that its northern neighbor is in no position to cater to Nepal's requirements—both civil and military. India has expressed its readiness to discuss with Nepal problems and issues of mutual interest, without any preconditions. Nepal should [take] advantage of this offer and resume the dialogue in order to revive the spirit of friendship and cooperation, which had characterized the Indo-Nepal relations.

#### **Papers Report Problems in Relations with Nepal**

##### **Ministry Official Interviewed**

46001451 Bombay THE TIMES OF INDIA  
in English 8 Apr 89 p 11

[Text] New Delhi, 7 April—An economic blockade of Nepal is the furthest from our intentions because India cherishes its friendship with the Nepali people, a senior official of the ministry of external affairs, told the TOINS.

There are, as far as we know, no Nepali complaints about transit traffic. It is moving without hitch through Jogbani and Raxaul, the two points India is keeping open for Nepal's trade. These two account for an overwhelming proportion of cargo moving across the border. Likewise, goods available from India under open general licence—medicines and common salt among them—can be freely bought by Nepal. Careful inquiries show that no consignments of medicines are awaiting clearance. Moreover, Nepal has been allocated a quota of 15,000 tonnes of sugar and 5,000 tonnes of baby food. These can be readily purchased. A permit will have to be obtained for iodised salt, and instructions have been given to the controller of imports and exports to expedite Nepali indents as soon as these are received.

Oil and coal were supplied under arrangements which have now lapsed. It is up to Kathmandu to make fresh ones, either along with a new trade and transit treaty or discuss these separately if it so wishes. We have no Nepali proposals in this regard to general request for continuing with the entire framework of trade and transit as it existed. That is unacceptable to us.

Referring to the issues which have led to the present crunch, the official said that a trade treaty was initialled, meaning agreed to in principle, in October 1988 on the basis of an understanding that preference accorded to Indian goods in the Nepali market, eroded by the rationalisation of tariffs in June 1987, would be restored. The preference is a quid pro quo for the special treatment accorded to Nepal, as for example in supplying commodities to it that India does not export because of domestic constraints.

While this understanding was still to be implemented, Nepal in mid-December last year gave China an exemption of 60 percent of the additional customs duty levied in June 1987 for goods coming in over land. After the promise of preference, the actual outcome thus was adverse discrimination. Nepal could have had the separate trade treaty it wants but for the hitch that prevented the ratification of the initialled treaty.

As for work permits, it is India's case that Indian nationals are being put on the same footing as other foreign nationals. This is contrary to the 1950 treaty which assures Indians in Nepal and Nepalis in India the treatment equivalent to that of citizens in many matters. By introducing work permits for Indians, Kathmandu is making a departure which may in future create difficulties for millions of Nepali non-citizens in India and Indian non-citizens in Nepal.

As for access to restricted areas India's grievance is while its citizens are being excluded from a wide tract adjoining Tibet, there is no bar to the entry of Chinese into districts contiguous with India. The argument that Nepali restrictions apply to all foreigners does not alter the fact of an imbalance in the approach Nepal has adopted, it is contended.

Meanwhile, in Bangalore, the Janata Dal vice-president, Mr Ramakrishna Hegde, yesterday suggested that a goodwill mission should be sent to Nepal following the strain in the relations between India and Nepal during the past few months.

He told reporters here that the Union government should not also stand on prestige, but take immediate measures to remove the hardship of the people of Nepal.

He termed as most unfortunate, the supply line of essential commodities to that country being cut off. The Union government should have taken steps well in advance to solve this problem which could have been anticipated.

Mr Hedge said that the people of Nepal had been alienated with every panchayat passing anti-Indian resolution. Apart from Nepal's close affinity to India in terms of culture, religion and even political strategy, cordial relations with Nepal was absolutely necessary, he said.

#### **Kathmandu Correspondent's Report**

46001451 Calcutta THE STATESMAN  
in English 12 Apr 89 pp 1, 9

[Article by D. P. Kumar: "Nepal Wants To End Special Ties With India"]

[Excerpt] Kathmandu, 11 April—Nepal today clamped a new import tariff regime for a large variety of essential goods in a manner that these items would be cheaper if they are imported from third countries rather than from India—thus opening an altogether new dimension to Indian imports to this country which have received preferential treatment so far.

As it is, over the decades, trade with neighbouring India has dwindled to a mere 45 percent from almost 90 percent that it was at one time, and the new step is evidently calculated to push down India's share in the trade to a pittance.

(According to a PTI report from New York, the Nepalese Foreign Minister, Mr Shailendra Kumar Upadhyaya, told the NEW YORK TIMES in an interview that his country wanted to end its special relationship with India which had become one of economic dependence.

"It is in our interest to let interdependence grow," he said, adding, "it is in our interest to see that our dependence on one country does not grow.")

All this comes in the wake of the row that is going on between the two countries on the alleged economic sanction India has imposed on Nepal, for the Indo-Nepalese treaty of trade and transit has not been renewed after it expired on 23 March last, and supplies of Indian goods to Nepal have come to a halt. On the Indian side the grievance has been against Nepalese

imposition of work permits for Indian workers and import of several "battiers" of anti-aircraft guns from the northern neighbour, China. Indo-Nepalese relations have already reached an all-time low, the Nepalese foreign minister having accused India of "muscle-flexing at a small country like Nepal."

Nepal was getting restive at India not responding to its repeated plea for resuming negotiations to renew the trade treaty and has not appeared to adopt a retaliatory step by restructuring its tariff. The already reduced import preference for Indian goods—ordered in July 1987 which had originally angered India—has been slashed down further, so that essential goods imported from third countries would be cheaper to the Nepalese.

Thus the new import tariff announced by His Majesty's Government of Nepal would encourage Nepalese traders to import essential goods from overseas markets. Special tariff preferences enjoyed by Indian goods were either withdrawn or cancelled. Accordingly, some 100 items such as cotton cloth, powder milk, bus and truck chasis, plywood, tea, coffee, hand tools, cycles and rickshaws, buses and trucks, tractors, electric bulbs, baby food, blankets, aluminum utensils, glucose, tyres and tubes for tractors and storage battery when imported from India would be more expensive in Nepal than if these are imported from overseas markets.

Last time India had protested against the stiff hike in import duty of some 10 items such as zip fastener, television sets, refrigerators, guns, video desks, motor cars, jeeps, and synthetic clothes. Now this duty has been further raised and the duty for import of these items from overseas markets has been correspondingly reduced. This would put import of such items from India at still greater disadvantage, possibly rendering their import into Nepal altogether impossible.

In addition to this, as a result of a new tariff structure, smuggling of foreign goods into India from Nepal and vice versa, or "deflection of trade" as it has been described, might increase, causing additional burden for India's Customs staff.

A Finance Ministry notification today said that the government "has made necessary changes in the additional Customs duties with immediate effect in order to make the supply of essential goods of daily necessity easily available at reasonable price to the people."

It said a complete embargo on all items of export from India to Nepal, including items like salt, kerosene, diesel, petrol and medicines has been imposed and Nepal's exports to India has also been stopped for the last 3 weeks.

Under these circumstances, the notification said, it has become necessary to import such essential items from other countries and to diversify Nepal's trade.

### Commentary Examines Factors in Upcoming Elections

46240041 Bombay NAVGHARAT TIMES  
in Hindi 25 Apr 89 p 6

[Article by M. J. Akbar: "Congress Versus Congress: The Real Fight Begins"]

[Excerpts] At long last, the campaign for the upcoming general elections has begun. In a very well-reasoned manner, Vishwanath Pratap Singh has begun in Amethi parliamentary constituency as his object [of defeat] is not the Congress but Rajiv Gandhi. It is clear (even though the veteran stalwarts of the opposition, who handed him over the leadership, may claim otherwise) that Singh, Arun Nehru, and Vidhyacharan Shukla and Mufti Mohammad Syed would like nothing better than to return to a Rajiv-less Congress and take up residence in the party, which is their natural home. But circumstances have made them the leaders of the Janata Dal. No doubt, their current address is the Janata Dal, but it is nevertheless true that their true heart lies within the Congress Party. For the time being, they are waiting and they will have to discover suitable arguments on the basis of which they can go to the public. Since at the moment, there is no real difference between their objectives and those of the ruling leadership, their sole political hope lies in assassinating Rajiv's character and his motives in order to ruin the Congress. This is why Rajiv Gandhi is such an obsession in their speeches.

In order to create an atmosphere for an opposition victory in the upcoming elections, V. P. Singh visited Lawajma, Uttar Pradesh, in the first week of April. Before proceeding further, it would be interesting to make known that in this assembly of the opposition leaders, Mulayam Singh Yadav was the sole opposition leader, all the rest being those who had recently taken leave from the Congress. And it fits very neatly with the manner in which V. P. Singh has distributed responsibilities to leaders of the Janata Dal. Mufti is influential in Jammu & Kashmir, Asok Sen looks after West Bengal affairs, and V. C. Shukla has been made chief of Madhaya Pradesh, and when you face the fact that most of the authority for allocating seats in Uttar Pradesh will be concentrated in the hands of V. P. Singh and Arun Nehru, then the beautiful face of the opposition that comes before you, is a reflection of those leaders who took charge of the country in the name of Rajiv Gandhi. Indeed these are the very people who, in 1984, 1985 and 1986, were the targets of opposition anger. The Leftists could not have forgotten the bitterness with which they had opposed the Capitalistic budgets presented by V. P. Singh, and there is no sign that V. P. Singh suffers from any embarrassment on that account. It appears especially incredible that now Arun Nehru has become the chief strategist in charge of the fortunes of the opposition, for it is the same man whom the opposition used to describe as the devil who was swallowing non-Congress governments mostly through interferences but also through deception. It is a completely ridiculous god that

has led to friendship between M. T. Ramalrao and Arun Nehru. Even more remarkable is the fact that Maneka Gandhi and George Fernandes are both adorning the offices of general secretaries of the same party. This is the same George who was the hero of the Emergency days, a defendant in the Baroda Dynamite Conspiracy case and undoubtedly a special target of the revengeful Sanjay Gandhi. These days George is busy in efforts to bring Maneka Gandhi into power and George plays his political cards skilfully. When Ramakrishan Hegde was asked about such paradoxes, he replied evasively that, "Times have changed and people have also changed with times." In certain things, this may be true also. But this must be said in favor of Maneka that she still has faith and is honest to her late husband's beliefs and political ideology. Given an opportunity, she would once again mobilize herself in defense of Sanjay Gandhi. She does not exhibit such enthusiasm for any of the present political leaders. At least Maneka has not changed. In fact others have accommodated her but she cannot accommodate anybody.

In any case, the situation today is that both of the candidates for power in the upcoming general elections are Congressites. Elect Rajiv Gandhi or elect V. P. Singh, you will be electing a Congressite. The only difference is that in case Rajiv Gandhi is elected, it will be through support of a vast group of unknown people who wear the Gandhi cap and do not hesitate from wearing khadi, taking it as the Mahatama's legacy. In case V. P. Singh is elected it will be a cabal of opportunists ranging from the socialistic George Fernandes to the rabid communal members of RSS-BJP who are dedicated to the creation of a 'Hindu India.' There will be much disagreement in their domestic policies but its not a mistake to believe that there will be even greater disagreement in economic policies. As has already been mentioned, V. P. Singh has not so far been criticized for his budgets. But the disagreements on domestic policies will run much deeper. For instance, the preponderent possibility is that Arun Nehru will seek to implement his two favorite plans—a common citizenship law for the whole country and scrapping of Section 370 of the constitution currently in force in Jammu & Kashmir. In this endeavor Arun Nehru will naturally get support of BJP and the justification that will be given in support of these laws will be India's unity, integrity and security. Here it will be important to keep in mind that the first rebellion against Rajiv Gandhi happened at the time of the Muslim Personal Law bill and it was led by those forces who favor a uniform citizen law.

At one time war against corruption had become a stick to beat Rajiv Gandhi with. Now since the bubble of corruption has burst, therefore it is Rajiv Gandhi's patriotism that is being maligned. The last time he made money out of the Bofors transaction and had it deposited in foreign countries through the agency of confidential friends like the Bachan brothers. This time his crime is more heinous, complicity in the murder of his mother and its instigation on orders of a foreigner Sonia Gandhi

who despite being his wife, is consciously or unconsciously under the influence of the Italian Mafia which desires in Delhi a government which should be more favorable and amenable to its interests and wishes. The real target of such an attack is not Rajiv but Sonia Gandhi, the White foreigner who has faith in a foreign religion (let it not be forgotten that during a news conference in Delhi, Devi Lal, a hero of the opposition had described Christianity as a foreign religion). I recall the Hardwar Kumbha mela which comes before the Allahabad Kumbha mela, where there were pasted posters on walls announcing that Rajiv Gandhi had secretly converted to Christianity and that this secret conversion of religion had been performed by the Pope himself during his visit to India. After all, how can the zealous champions of Indian nationalism ignore the fact that the Pope visited the house of the Indian prime minister whose wife is a Roman Catholic Italian. My request to you is, kindly do not dismiss it by judging its validity as the proof. Here the whisper campaigns are conducted on the basis of this kind of material. This is the very same publicity that is being carried on all over the country especially by RSS and BJP and by those elements who do not fight shy of levying any kind of charges. One opposition leader (I did not expect this from him) went so far as to say in his speech that Rajiv Gandhi was looking for a constituency other than Amethi and that this will be a Christian-majority constituency of Kerala. This is the level on which politics is being conducted. The Congress dismisses by branding traitors those people who are not part of the Congress Tricolor nationalism and the opposition brands anti-Indian those who do not partake of its saffron color. Clearly only God can save India and God has been coming to the rescue of India for so long that we have become accustomed to it.

In these conditions, the Janata Dal manifesto will be on the lines that Rajiv Gandhi is not a true nationalist and that the charge of the nation cannot be left in his hands. This is why V. P. Singh has appealed to Amethi voters to vote to remove Rajiv from power and to disregard whatever work he had gotten done here. People have to choose between such kindnesses and patriotism and he is confident that the people will prefer patriotism.

During debate on the Thakkar report in the parliament, Rajiv Gandhi also gave indication of his temper. At last he showed his power of use of emotion and this came as a surprise to his Congress associates in the parliament who had grown accustomed to an unemotional and even style. Nothing excites our emotions better than the spectre of defeat especially when the stakes are so high but Rajiv Gandhi should know that for him personally, stakes can never be higher than they are today because without the security granted to him by virtue of his office, his life, which is already full of dangers, will be even more crisis ridden.

We realize that both the parties want to become heir to Indira Gandhi and she has emerged as a symbol of modern Indian nationalism. Now even the socialists in

the opposition do not want to criticize the Congress of Indira Gandhi times. Rajiv Gandhi has committed the extraordinary blunder that he has allowed the situation to slip so far from his grasp that even the motley colored opposition has busied itself in efforts to obtain Indira Gandhi's legacy. When the BJP can organize rallies in Indira Gandhi's name, it is clear that history has gotten skewed and it is moving in those directions which were at one time considered unchartered.

What can you say other than that politics produces strange heirs. Power persuades people to join in a scramble for those legacies which once belonged to enemies. Now since the fight is for Indira Gandhi's legacy, what is needed is a real expert. Among Rajiv Gandhi, Arun Nehru and Maneka Gandhi, it would have been a triangular contest because Arun Nehru and Maneka Gandhi dislike each other as much as they dislike Rajiv Gandhi. But the compulsions of time have, for the time being, made it into a straight contest. In case Rajiv Gandhi loses, doubtless there will be more fights in store for the future.

#### Papers Report Developments in Janata Dal

##### Lok Sabha Recognition

46001450 Bombay *THE TIMES OF INDIA*  
in English 12 Apr 89 p 15

[Text] New Delhi, 11 April—The Janata Dal was today accorded recognition as a legislature party in the Lok Sabha today.

Making the announcement during zero hour, the speaker, Mr Balram Jakhar, said the recognition was being accorded in terms of the 10th schedule of the constitution. Mr Jakhar noted that Mr Madhu Dandavate, today named leader of the Janata Dal parliamentary party, had written to him last month to say that the Janata Party as well as the Lok Dal had passed merger resolutions, agreeing to call the merged entity Janata Dal.

After verifying the procedural aspect of the matter, the speaker said he had no hesitation in granting the new entity recognition, as he was satisfied the conditions of merger were fully met.

When Mr Jakhar finished making his announcement, Mr Syed Shahabuddin (Janata) rose to ask what his status would be. This seemed to stump the speaker, but he hastily recovered to say that he would continue as before.

Since Mr Shahabuddin was never expelled by the Janata Party before it merged with the Lok Dal, [he] could not be treated as an unattached member.

Mr Dandavate reminded the chair that Mr V.P. Singh and some others had written to him expressing their wish to join the Janata Dal. Mr Jakhar told him the matter was under his (speaker's) consideration.

Later, Mr Dandavate told newsmen that Mr V.P. Singh, who won his Lok Sabha seat as an independent, as well as Mr Arun Nehru, Mr V.C. Shukla and Mr Arif Mohammed Khan (all unattached after being expelled from the Congress), and also Mr Rampoojan Patel, Mr Manendra Singh and Mr Rajkumar Rai (all suspended from the Congress) had written to the speaker wishing to join the Janata Dal. But this was before the Janata Dal was given recognition.

The last three do not fall in the category of Mr V.P. Singh and the expelled member, as they are still technically in the Congress, though they were suspended for forming the Jan Morcha.

Also still in the Congress is Mr Ram Dhan, the Jan Morcha chief. His position is different from other suspended Lok Sabha members of the Congress in that he has not sought membership of the Janata Dal.

Senior opposition leaders believe that the speaker would be well within the law to disqualify Mr V.P. Singh, Mr Shukla, Mr Nehru and Mr Khan from membership of the house for seeking to join the Janata Dal. But the question is, will he?

The political answer being given is that disqualifying them might unleash a wave of sympathy for them in the country. On the other hand, if they are not disqualified, others in the Congress believed to be biding their time may also openly choose to join Janata Dal as the case of Mr V.P. Singh and others would have set a precedent.

In order to avoid falling into this catch 22 situation, opposition circles believe Mr Jakhar might refer the request of Mr V.P. Singh and his six associates for membership of the Janata Dal to the privileges committee of the house. There are precedents for this. The privileges committee is then expected to take its time deliberating the issue until after the December poll.

#### **Political Committee Formed**

46001450 Calcutta *THE STATESMAN*  
in English 4 Apr 89 p 9

[Text] New Delhi, 3 April—The Janata Dal president, Mr V.P. Singh, today announced the constitution of a new "political committee." He would chair the committee himself, and the other five members would be Mr Devi Lal, Mr Ramakrishna Hedge, Mr Ajit Singh, Professor Madhu Dandavate and Mr George Fernandes.

The first meeting of the committee would be held on 10 April in the Dal President's house. Mr Singh's statement said the committee had been "constituted for consultations on important political matters" and indicated that a committee like this would be a permanent fixture in the Dal. The statement said it would be chaired by the president, and the members would be the chairman of

the parliamentary board, vice-president, secretary general, leader of the parliamentary party and chairman of the campaign committee.

However, there had been no mention of any committee of this kind in the Janata Dal constitution submitted to the Speaker of the Lok Sabha and chairman of the Rajya Sabha last week.

Senior Dal leaders said here today that nevertheless a committee of this kind would be "official and permanent" and, if necessary, the provision would be added to the party constitution. It would act as a "political think tank and provide broad guidelines to the party," he added.

#### **Party President on Policy**

46001450 New Delhi *PATRIOT* in English 5 Apr 89 p 6

[Text] Patna, 4 April—Janata Dal President Vishwanath Pratap Singh today assured the Muslim minority that if his party was returned to power it would not interfere with Muslim personal law.

Addressing the party State level convention of minority cell at Sri Krishna Memorial Hall here this afternoon Mr Singh said the Muslims would be treated at par with other sections of the society. The meeting was presided over by former socialist and Minister in the Janata Party Government from 1977 to 1979 Gulam Sarwar.

Mr Singh firmly asserted that his party would not enter into any compromise or alliance with forces like the Shiv Sena or other similar forces for purposes of getting votes. He said that his party stood for amity and brotherhood among all sections of the society. It was in this context that the Janata Dal wanted both the communities to give up confrontation and refer the Babri Masjid-Ram Janma Bhoomi dispute either to the national integration council or accept the verdict of the court.

Mr Singh reminded minority communities how the Congress utilised and exploited Hindu sentiments against Sikh separatism to win elections in 1985. He cautioned them about the possible Congress plan to exploit Hindu sentiments against Muslims to win the support of the former during the coming elections.

Mr Singh reiterated his party's decision to grant 60 percent representation to backwards, Harijans, minorities, SC [scheduled castes] and ST [scheduled tribes]. He said that his party did not believe only in winning elections rather preferred preservation of national culture and unity. He said that "clouds of separatism were hovering over the Indian sky" which could be fought only with unity. A united fight alone would help us preserve the integrity of the country, he asserted.

Mr Singh said that if his party came to power mixed peace force would be deployed in areas hit by communal

virus. This force, he said, would consist of both the majority and minority community jawans.

Mr Singh reiterated to restore sanctity to educational institutions particularly the minority ones which had lately been eroded. Mr Singh's speech formed part of the resolution adopted at the meeting. The resolution was later moved by Karnataka Minister Roshan Ali Beg which was supported by a host of leaders from outside Bihar.

#### Excerpt From Constitution

46001450 Calcutta THE SUNDAY STATESMAN  
in English 2 Apr 89 p 7

[Text] New Delhi, 1 April—The 25-page, 33 article constitution of the Janata Dal takes a strong position against communalism.

Article V of the constitution which deals with membership, says that "no legislator or office bearer of the Janata Dal shall participate in the activities of any communal organization." To become an active member of the dal a person would have to be "a habitual wearer of handspun or hand-woven khadi and abstain from alcoholic drinks and intoxicating drugs." He should also "not observe or recognize untouchability in any shape or form" and "believe in communal amity and respect the faith of others."

The constitution prescribes that the team of all office-bearers, every council and every committee "shall ordinarily be 2 years... No office-bearer shall be eligible for the third consecutive term to hold the same office."

The Janata Dal structure promises to remain as big as it has been since its birth. "The State executive shall consist of not more than 65 members (including the president), elected by the State Council.... The president shall appoint not more than five vice-presidents, a secretary general, a treasurer and not more than eight general secretaries from among the members of the State executive."

The Dal secretary-general, Mr Ajit Singh, had long pressed for more powers to the holder of this post. But that does not seem to have happened. The constitution says "subject to the general control of the president, the secretary-general shall head the secretariat and shall be in charge of the functioning of Janata Dal and shall be responsible for the preparation and publication of a report of the proceedings of the Janata Dal plenary session or special session including its audited accounts, as soon as possible, after the session, he shall prepare a report of the work of the national council and the national executive, including an audited statement of accounts for the period, since the last submission of such report and submit the same to the meeting of the national council, to be held at the beginning of each year and have it circulated to the members sufficiently in advance of the meeting."

The allotment of party tickets at elections is left to the central parliamentary board whose chairman, it is laid down "shall not hold any other office in the party organization at the national level.... All decisions of the parliamentary board shall be taken collectively.

#### IRAN

#### Over 100 Majles Members Oppose Changes to Constitution

46400083 London KEYHAN in Persian  
4 May 89 pp 1, 8, 9

[Text] Following the announcement of the names of 25 members of the Review Council of the Islamic Republic Constitution, last week it was announced in Tehran that over 100 members of the Islamic Majles do not agree with the changes in the regime's constitution; therefore, they have desisted from signing the letter addressed to Khomeyni with regard to the aforesaid changes.

The Majles representatives opposed to the changes in the constitution are those individuals who take issue with predetermined plans for centralizing all the power in the hands of Hashemi Rafsanjani as the absolute president of the regime, and at the same time they do not agree with the selection of a plain cleric and a mere religious jurisprudent as the leader after the death of Khomeyni.

The opposition to the changes in the constitution is not only limited to 100 of the 270 deputies of the Islamic Majles, it also encompasses a large number of the clerics who are not involved in the present on-going scuffle. Although an expression of opposition with regard to the changes in the constitution of the regime is considered as a refutation of Khomeyni's wishes and decrees, yet in the uncertain atmosphere of the regime it has been voiced quite clearly.

Three of the six Majles representatives who were recently asked by KEYHAN [of Tehran] about the necessity of the changes in the constitution, expressed their opposition to the action. These three individuals are: Hojjat ol-Eslam Shar'i, Majles deputy from Qom; Engineer Qorban-Ali Saleh-Abadi, deputy from Mashhad and Dr Sholeh Sa'adi, deputy from Shiraz who have expressed their views in opposition to the changes in the constitution.

On the other hand, the Review Council of the Islamic Republic Constitution without paying any attention to the opposition has organized its work schedule in such a manner so as it will be able to put together a draft with regard to the aforesaid changes within two months as set by Ayatollah Khomeyni. This amendment to the constitution of the regime, after proper approval by Khomeyni, must be put to the public opinion in such a way so as all the related issues could be resolved before the month of Mordad [23 July - 22 Aug] which is the period for electing the president of the Islamic Republic.

The Review Council is composed of 25 members of which 20 have been selected by Khomeyni through a letter addressed to president Khamenei, and five individuals have been chosen by the Islamic Majles from among the deputies.

It is interesting to know that during the session for the selection of these five individuals, Hashemi Rafsanjani said: I hope you will choose the people who could very well carry out their duties with regard to the interest of the regime. He did not even mention anything about the interest of the people or the nation at all.

The five deputies chosen as members of the Review Council are: Hoseyn Hashemian, Abbas-Ali Amid-e Zanjani, Assadollah Bayat, Najaf-Qoli Habibi and Hadi Khamenei.

#### Text of Khomeyni's Letter to Khamenei:

After 10 years of practical and public experience in the administration of the country, the expert and responsible authorities of the Islamic Republic system believe that although there are some very strong points in the constitution yet there seems to be also some difficulties and shortcomings as well. As a result of the unfavorable atmosphere and other great social issues which existed during the early days of the revolution, these deficiencies somehow remained unattended. Fortunately, the issue of the enactment of the constitution has been discussed by various groups after the first couple of years after the advent of the revolution and it seems quite inevitable for our Islamic and revolutionary society to try to eliminate these inadequacies; otherwise, our nation will be faced with very unpleasant and undesirable consequences. Personally, because of my religious and national obligation, from a long time ago I've been thinking about resolving these problems, however the on-going war and other issues prevented me from taking any action at the time. Now that with the help of God the Iranian Islamic system is continuing on a comprehensive reconstruction and growth path, I've delegated a council to investigate the matter and after proper examination and enactment of the fundamental principles, which will be pointed out, the proposed changes will be put to the public opinion.

a: Following are the names of their Eminence and Messieurs whom I've chosen for this important matter:

1. Mr Meshkini,
2. Mr Taheri Khorram-Abadi,
3. Mr Mo'men,
4. Mr Hashemi Rafsanjani,
5. Mr Amini,
6. Mr Khamenei,

7. Mr Musavi, prime minister,
8. Mr Hassan Habibi,
9. Mr Musavi Ardebili,
10. Mr Musavi Kho'eyni,
11. Mr Mohammadi Gilani,
12. Mr Khazali,
13. Mr Yazdi,
14. Mr Emami Kashani,
15. Mr Janatti,
16. Mr Mahdavi Kani,
17. Mr Azari Qomi,
18. Mr Tavasoli,
19. Mr Karubi,
20. Mr Abdullah Nuri.

These honorable messieurs have been chosen from among members of the Assembly of the Experts, and other bodies such as the Executive, Judicial and Legislative or that of the Expediency and Discernment Council. The other five individuals have been selected from among the deputies of the Majles.

#### b: The Extent of the Related Issues:

1. Leadership,
2. Centralization and management of the executive power,
3. Centralization of the judicial power,
4. Centralization of the administration of the Voice and Vision in such a manner that all the three powers will have a say in it,
5. Number of the representatives of the Majles,
6. The Expediency and Discernment Assembly for resolving grave issues of the regime and as a medium of consultation for the leadership so as not to be overruled in their religious decrees by other bodies,
7. A new way to review the constitution,
8. Changing of the appellation the "National Consultative Assembly" to read: "The Islamic Consultative Assembly."

The Review Council in its first session of last Wednesday which was attended by all the 25 members plus Ahmad Khomeyni, selected its board of directors as follows: Chairman: Ayatollah Meshkini, Deputy chairman: Seyyed Ali Khamenei and Ali Akbar Hashemi Rafsanjani, Secretaries: Hassan Habibi and Mohammad Yazdi. No special position has been considered for Musavi Ardebili at this council.

Last Monday the aforementioned council completed the enactment of its internal regulations and the formation of the four commissions. According to the internal regulations of this council, which is compiled in two chapters and 30 articles, the issues pointed out by Khomeyni will be investigated by four separate commissions:

1. The commission for investigating the subject of leadership and the Expediency and Discernment Assembly.
2. The commission for investigating the issues pertaining to the centralization of the executive power.
3. The commission for investigating the issues pertaining to the centralization of the judicial power.
4. The commission for investigating the issues pertaining to the centralization of administration at the Voice and Vision—Number of the Islamic Majles deputies—the changing of the appellation of Majles from "the National Consultative Assembly" to "the Islamic Consultative Assembly" and the way to review the constitution in the future.

Commission number one [above] will have seven members while the other three each will have six members.

In the public proclamation which was announced by the Islamic Republic Radio, all concerned and insightful persons have been asked to send in their views and proposals [with regard to the proposed issues] to the Review Council in the Islamic Consultative Assembly, Secretariat of the Review Council for the Constitution and they should also include their address and telephone numbers.

The political observers after studying the various comments regarding the changes in the constitution of the Islamic Republic have now reached the conclusion that the direction of the changes has been clearly decided and in short it is expected that:

1. With regard to the leadership, the condition of the "source of emulation" for the leader to be eliminated and in its stead the title of the "righteous religious jurisprudent" be considered. This situation can qualify both Hojjat ol-Eslam Hashemi Rafsanjani and Hojjat ol-Eslam Seyyed Ahmad Khomeyni for the leadership position.

2. The position of prime minister to be eliminated while the president's power at the head of the executive branch will be broadened.

3. The Supreme Judicial Council to be dissolved and one person [instead of the present five members] be appointed as the head of the judicial power.

4. The council overseeing the work of the mass media [radio and television] which is formed by the representatives from the three powers [judicial, executive and legislative] to be dissolved and only one individual be put in charge.

Here it should be noted that the issue of publicity and propaganda is considered to be one of the main vehicles which has helped and guaranteed the survival of the regime. In the constitution after the three powers, Principle 175 is solely related to the mass media [radio and television].

It is predicted that the directors of the executive and judicial powers and that of the mass media will most probably be seeking Khomeyni's advice in very important issues while the legislative power will be officially under Khomeyni's direct supervision.

With regard to the change of the appellation of the present Majles from the "National Consultative Assembly" to the "Islamic Consultative Assembly" it should be pointed out that according to the sixth and seventh principles of the Islamic Republic Constitution, the appellation of the regime's Majles is "The National Consultative Assembly" and not "The Islamic Consultative Assembly." Therefore, it is said that the validity of all the laws which have been ratified by the Majles during the last ten years—where the correct appellation of the National Consultative Assembly has not been used—from the viewpoint of legality will be questionable.

The sixth principle of the Islamic Republic Constitution states: "The affairs of the country should be administered in the Islamic Republic of Iran by relying upon public opinion, expressed through elections; i.e., election of the president of the republic, deputies of the National Assembly, members of councils, etc."

In the principles 62 thru 99 of the constitution which is related to the legislative power, every where the appellation of the "National Consultative Assembly" has been used and in its introduction it is written: Legislative power—Part I "The National Consultative Assembly. The national Consultative Assembly will be composed of the people's representatives, who are to be elected by a direct and secret ballot.

The 56th principle of the Islamic Republic Constitution also emphasizes the fact that: "The National Consultative Assembly is vested with authority to exercise power on behalf of the legislative power."

The observers of the affairs in Tehran comment that these changes will not have any effect in the status of the Islamic Republic, and that no change or transformation can relieve the present awkward situation of the regime. People, particularly in large cities, are indifferent to this issue and regime's propaganda for attracting their attention remains fruitless.

#### **Defense Budget for 1989-90 Increased**

46400082b London KEYHAN in Persian 4 May 89 p 1

[Text] The subjoinder of the budget law for the year 1368 [21 Mar 1989 - 20 Mar 1990] pertains to the defense expenditures. According to this subjoinder, for the purpose of strengthening the defensive capabilities of the country, the amount of credits for this sector has increased from 370 billion rials to 410 billion rials, which has been designated as follows:

1. An amount of 60 billion rials for reconstruction and renovation of war machinery systems, installations and major military equipment.

2. An amount of 135 billion rials for the production of ammunitions, weapons and other military needs domestically.

3. An amount of 60 billion rials for the purpose of equipment and other military hardware systems.

4. An amount of 15 billion rials for the purpose of securing the expenditures of research projects for the military industries.

5. An amount of 30 billion rials for the completion of a number of projects under execution by the defense engineering department.

6. An amount of 110 billion rials to cover the expenditures of commandantship of the defense organ.

It is supposed that an amount of 250 billion rials from the total amount of 410 billion rials, namely more than 50 percent of the proposed budget will be secured by the National Cooperative Tax which was recently ratified.

The credit expenditures of the Guards Corps from this budget amount to 240 billion rials. From the total defense budget of the country, an equivalent amount of about 10 percent from the rial credits and 5 percent from the foreign exchange credits for the use of disciplinary forces will be put at the disposal of the Interior Ministry.

#### **Bloody Demonstrations in Montazeri's Hometown**

46400082a London KEYHAN in Persian 4 May 89 p 3

[Text] A special report sent from Najafabad for KEYHAN [London] casts new light on the bloody events which took place in that city in protest against the removal of Ayatollah Montazeri from power. According

to this special report, before the announcement of the news about Montazeri's removal, all the revolution guards who follow Montazeri's line were sent either to Tehran or arrested and put in prison so as to prevent their likely revolt. However, despite all the precautions, immediately after the announcement of the news about the removal of Ayatollah Montazeri, the city of Najafabad became thoroughly engulfed by violent and angry demonstrations. At first, a number of people's representatives went to the house of Ayatollah Izadi, the Friday imam of Najafabad and asked him to announce his support for Ayatollah Montazeri, but the Friday imam of Najafabad refused people's request and left his residence and fled the town from fear of the people. Thereafter, the demonstrators marched towards his house and after breaking all the doors and windows they entered the house and removed the furniture, a large amount of cash and gold, several sets of video and other similar equipment which was in the Friday imam's residence. Then the demonstrators continued their march toward the office of Najafabad's governor. By this time almost all the members of Mobilization forces of Najafabad joined the people and all together marched towards the governor's office.

The governor of Najafabad who had become aware of the demonstrations got away in time, and the people after arriving at the governor's office and breaking all the doors and windows, set fire to the building and thereafter they marched on toward the headquarters of the Guards Corps.

Despite Montazeri's resistance which was carried out through the medium of the guards who were dispatched to Najafabad, people entered the headquarters and after breaking the door to the weapons storage room, they confiscated all the weapons existing at the headquarters and carried out all the documents, dossiers and furniture and set the entire building on fire.

After the news of Najafabad's revolt reached Esfahan, the Provincial Police Department dispatched auxiliary forces to Najafabad, but the commander of the Guards Corps of Esfahan who had also sent some auxiliary forces towards Najafabad, somewhere on the road prevented the dispatch of auxiliary forces of the police department, since he was fearful that they, like the mobilization forces, might join the people of Najafabad and thus further fan the flame of the revolt.

With the arrival of the auxiliary guards corps of Esfahan in Najafabad, hand to hand battle between the people and the guards started and although a large number of individuals were killed, people succeeded in arresting and disarming all the guards.

Thereafter, people attacked all the government offices and removed Khomeyni's pictures from the walls and replaced them with large pictures of Montazeri. In some of the offices some very harsh insults were exchanged with regard to Khomeyni's picture.

People's motto at the demonstrations was:

"Our party is Ali's party—Our leader is Hoseyn Ali" [referring to Montazeri's first name].

After disarming the dispatched guards from Esfahan, the people of Najafabad seized total control of the city and for a period of three days the city was completely under their control. During these three days all the schools and offices were closed and the demonstrations continued throughout the city.

The Islamic regime, which was afraid that Najafabad's revolt and demonstrations might ignite other cities and possibly engulf the whole nation, rapidly dispatched the auxiliary guards corps of Tehran to Najafabad. The guards, after reaching the suburbs of Najafabad closed all the access roads to the city and prevented the people of other cities to reach Najafabad.

The third day of revolt, the guards who had been dispatched from Tehran, gradually and cautiously marched toward the city and in the ensuing violent and fierce battles between the people and the guards, more than 130 individuals lost their lives. These bloody battles continued on till the next day, but the guards gradually were able to gain control of the situation and after three days they won the city back. In the meantime, Ayatollah Montazeri, as a result of pressure from the regime's agents, sent a representative to Najafabad and invited the people to order and peacefulness and asked them to desist from engaging in battles with the agents of the regime. At the same time, the guards imposed a martial law on the city.

From the fifth day, gradually a semblance of tranquility returned to the city. Yet the city still remained in a state of partial holiday and until the week after the incident [the date of this report] the situation still seems abnormal. Now the city is in the hands of the guards corps and people are not allowed to go out. The agents of Komiteh and Guards Corps every night arrest some people and send them to prison.

Despite the existence of a martial law, the guards so far have not gained enough courage to remove Montazeri's pictures from the walls in the streets, and in the offices still the picture of Montazeri is hanging side by side with that of Khomeyni's.

During the last few days the relatives of the individuals who were killed in the demonstrations, when applying to the headquarters of the corps to retrieve the bodies of their loved ones, were told that they must sign a form at the bottom of which it was written: "This individual was one of the hypocrites;" however, no one agreed to sign the forms and they refused to take delivery of their loved ones and once again the city became paralyzed by closing down of the businesses. Thereafter, the agents of the regime gave up their filthy demand and delivered the bodies to the relatives of the martyred individuals.

Although the number of fatalities mentioned by the regime's local agents is only cited to be about 130, it is said that the total number of the people killed in the revolt of Najafabad exceeds 250 individuals and without such high fatalities it was not possible to regain the control of the city. In the battles some of the guards who were dispatched from Tehran were also killed.

It is said in Najafabad that Khomeyni's representatives who have gone to talk to Montazeri with regard to his imminent exile asked him where he would like to go? In response he had said where I used to live before the revolution, namely London.

According to the same report, the guards who were dispatched from Tehran have so far been able to gather a small portion of the plundered weapons of the headquarters of the Guards Corps and those from the guards dispatched from Esfahan; but the larger portion of the weapons still remain in the people's hands.

Furthermore, according to the aforementioned report a large number of Najafabad mobilization forces have fled with their weapons and many of the guards have resigned from their position.

According to this report a fragile and sensitive situation exists in Najafabad and every day it is possible it might erupt into some new events.

#### **Iraqi, Iranian Kurdish Situation Examined**

##### **Qasemlu Assesses Situation**

46400081a London KEYHAN in Persian 20 Apr 89 p 8

[Interview with Abdolrahman Qasemlu, leader of the Kurdish Democratic Party of Iran; interviewer, date and place not specified]

[Text] In response to the question, What is the situation of the Kurds in Iran? Is there something to be worried about? Qasemlu answered:

"No. The situation of the Kurds in Iran is not as worrisome as you would think. After the cease-fire in the Persian Gulf War was established, many thought that the situation of 1975, 'the year that the shah of Iran caused the defeat of the Kurds,' would be repeated. But I believe that conditions today are quite different. There is no comparison between 1989 and 1975 for the Kurds, especially with regard to the situation of the Kurds in Iran.

"When the government of Iran accepted the cease-fire and UN Security Council Resolution 598, in fact, it was forced to do so and had to submit to peace. In other words, the government was weakened and is still weak. A crisis continues in the economic, political and social conditions of Iran. In particular, the conflicts between the governing group and the operators of the regime have reached a peak. If we look at the general conditions of

Iran, we see that the situation of the Kurds in Iran is not too bad. The same is true of the military situation. From a military standpoint, the Guards Corps was the strong point and the support of the Iranian army in Kurdistan. But today, the guards have been greatly demoralized. For this reason, now the suicide fighters are very active. We have carried out especially successful operations in all areas of Kurdistan in Iran against the forces of the regime since the cease-fire in the Persian Gulf war."

In response to the question, Are you not afraid that the Kurds will become victims of a new agreement between Tehran and Baghdad? Abdolrahman Qasemlu said:

"Of course, I do not consider such a danger to be impossible. But, as I said, today the situation is different, firstly, because the regimes of Tehran and Baghdad are quite different from each other, secondly, because none of the existing differences between the two regimes have been resolved. The issue of the Euphrates is particularly complicated and neither side shows readiness to resolve it. Iraq rejects the 1975 agreement about the partition of the Euphrates, and the government of Iran refuses to give up the 1975 agreement.

"The second problem is Article 6 of Security Council Resolution 598 concerning the determination of the aggressor. Neither side wants to be identified as the aggressor, because it is neither psychologically nor politically proper for any country in the world to be considered the aggressor.

"I believe that we have a long way to go from this cease-fire in the Persian Gulf war to the end of the war, perhaps several months. From the end of the war to peace requires even more time. From the establishment of peace to the achievement of lasting peace will also take time. In other words, we have a long way ahead of us from the establishment of a cease-fire to the establishment of a lasting peace between Iran and Iraq. We believe this problem is not the work of a few weeks or a few months. It might take several years. This is in the interest of the Kurds.

"Another important issue which I must point out, as you know yourself, is that there was not only one war, the Iran-Iraq war. Rather, in practice, there were three wars: the Iran-Iraq war, the war of the Kurds against the government of Iraq and the war of the Kurds against the government of Iran. The last two wars still continue. Considering all this, the repetition of the 1975 situation seems unlikely in the near future. But in the long term, this might happen. The Kurds must prepare themselves for such a situation."

Qasemlu was asked: Given its situation today, will the Islamic regime have the capability to suppress the Kurds? He answered: "I do not think so. The Iranian army began a widespread attack on central Kurdistan starting in September of 1988. But the regime was not successful. And the Iranians themselves are very well

aware that the morale of their army has declined considerably, whereas at the beginning of the war in 1979, most revolutionary guards came to Kurdistan to kill or be killed. But today, in 1989, the situation is not as before; it has changed, not only in Kurdistan, of course, but throughout Iran. For several years the regime of Iran has accused the Iranian Kurds of fighting for Iraq. Now I ask, despite the fact that there is a cease-fire between Iran and Iraq, why does the government of Iraq continue its war against the Kurds inside Iran? Now it has become more difficult for the government of Iran to explain to the Persian people why guards corps personnel are still being killed in Kurdistan of Iran. The Persian people ask: If there is peace, then where are these casualties coming from?"

Question: Do you think the Iranian people are very unhappy?

Answer: Yes. The way the war ended was a victory for Iraq but a defeat for Iran.

Had the Islamic Republic accepted the cease-fire or the UN peace resolution "1987" a year ago, a different situation would have been possible. But after being defeated in Fav and other areas in southern Iraq, the government of Iran accepted Resolution 598. This meant the victory of Iraq and the defeat of Iran. Khomeyni himself said that he would rather drink a cup of poison than accept peace. I mean that Iran changed its policy on a vital issue. When the Islamic Republic can change its policy about the war, which is the most important issue, why should it not be able to do so in regards to the Iranian Kurds? In other words, this should also have been possible. The reason the regime accepted a cease-fire was merely for the purpose of continuing its domination inside the country. This was in fact the essential reason for accepting the cease-fire. When the regime is ready to negotiate with Saddam, why should it not agree to do the same with the Kurds of its country? Why should the regime not change its policy some day about the Kurds? Why should it not sit and negotiate with the Kurds?

Especially when it is clear that opposition to the regime inside the country is increasing, pressure is put on the government to submit to some sort of liberalization.

Question: Do you mean that the Islamic Republic must reach some sort of national reconciliation with the Kurdish people of Iran, otherwise, there is danger of the downfall of the regime?

Answer: My particular analysis of the Islamic Republic differs from that of others. For instance, I do not agree with most western governments, including the Federal Republic of Germany, who believe the Islamic Republic is a strong and stable regime and that, consequently, the West must have good political and economic relations with Iran. Obviously, this view has begun to weaken

since the declaration of the cease-fire. However, western Europe continues to hold this belief.

The reason for my disagreement with this view is basically because as yet the regime of the Islamic Republic has been unable to solve any of the essential problems of the country, including economic, political, military and social problems. Serious conflicts and differences exist. The issuance of new decrees and messages and the numerous letters sent almost weekly by Khomeyni to rectify the line of the "revolution" with regards to the Constitution itself alone is proof that conflicts exist.

This is one side of the issue. On the other hand, the exaggerated analyses of the opposition organizations of Iran, including the Mojahedin, state that the "Islamic revolution" has so weakened since the cease-fire that it can soon be removed. Of course, I do not agree. Groups such as the Mojahedin hold such points of view. And it was for this reason that by attacking cities such as Kermanshah, the Mojahedin tried unsuccessfully to conquer Tehran. This was a great tragedy for the Mojahedin organization. In Iranian Kurdistan and in our party, the Kurdish Democratic Party of Iran, we believe that the "Islamic Republic" still has some reserves and will survive for some time to come. For this reason, the present conditions of the Islamic Republic must be evaluated. Undoubtedly, the Islamic Republic has weakened since the cease-fire and will become weaker after Khomeyni. But even after Khomeyni, the immediate downfall of the Islamic Republic will not be possible. After Khomeyni, the path will be paved particularly for radical changes. This is my opinion.

For the Iranian Kurds, the best way is to preserve themselves as an independent factor. The rumor abroad that the Iranian Kurds are supposedly tied to Iraq has never been true. On the other hand, the Iranian Kurds must show that they are an independent factor and for this reason can affect the future of Iran. On the other hand, the situation has changed and has gradually gained international attention. After a long time, for the first time, world public opinion has shown an interest in the fate of the Kurds. For this reason, I believe that the future will bring new opportunities for the Kurds to make the government of Iran negotiate, something that has not happened yet, but I am not very pessimistic about the future.

Concerning whether the Kurdish Democratic Party of Iran has lost many suicide fighters in the recent battles, Qasemlu answered: "No. On the contrary, we were able to preserve our forces very well. Now it has been four years that we have been fighting a partisan war in Iran. In the recent battles, not many suicide fighters were martyred. On the other hand, the young Kurds are always ready to become suicide fighters and join us. But occasionally, due to the partisan war situation, there is no need for several thousand suicide fighters. On the other hand, several thousand self-sacrificers need sufficient money and weapons. I do not want to say that we

do not have these resources, but we want to have enough reserves for the future as well."

The leader of the Kurdish Democratic Party responded to this question: "How do you see the future of this struggle for the liberation of your people?" He answered: "I am optimistic. We Kurds have always supported peace between Iran and Iraq because this war caused total destruction of our land by both sides. Now, we are in a purgatorial state. There is no war between Iran and Iraq but there is no peace either. The continuation of this situation is in the total interest of the Kurds. At this time, we can catch our breath. We must be able to take advantage of this opportunity at least for a few years. This is our real chance.

### Forced Relocation Continues

46400081b London KEYHAN in Persian 20 Apr 89 p 9

[Text] The forced relocation of the Kurdish villagers of Iraq and the elimination of their villages and cities by the Ba'thist army will force more than half a million Iraqi Kurds to take refuge on Iranian soil in order to save themselves from this new predicament.

Many human rights organizations and those supporting ethnic and religious minorities have strongly condemned this action of Iraq and have demanded a stop to it.

The "minority rights group" in England requested that the government of that country, as one of the effective members of the United Nations, raise this issue in the Security Council.

Although the government of Iraq has given the Kurdish people of the northeast of the country until May 8 to voluntarily migrate and relocate in government tents, units of the Ba'th army have already begun to destroy the homes and shacks of the Kurds in the area of Rania, 40 km from the Iranian border.

At the same time, the government of Iraq announced this week that the first stage of the relocation of the Kurds in that country has been temporarily postponed in the "Qal'eh Dizah" area.

Ezzoddin Baravari, the spokesman of the Kurdish Democratic Party of Iraq, said to the FRENCH PRESS NEWS AGENCY in Damascus that "this action, as the Iraqi regime has said, is only temporary and the regime of Saddam has merely been maneuvering."

The Islamic movement of Iraqi Kurdistan, which is supported by the Islamic Republic, announced in Tehran that it has asked Perez de Cuellar, the secretary-general of the United Nations, to pressure the Ba'th government to halt the plan to relocate the Kurds. On the other hand, the National Union of Kurdistan of Iraq announced that the soldiers of the Ba'thist army intend to make refugees

out of thousands of people, sending them to the plains and mountains and destroying the city of "Qal'eh Dizah."

The inhabitants of the above-mentioned city strongly protested this action of the Ba'thist government and their temporary relocation in canvas tents.

According to the patriotic union of Kurdistan, the Iraqi regime, in response to the protests of the people of "Qal'eh Dizah," has warned them that they must either leave their residences calmly and go to the government complexes or they will be sent by force to the tents in the border areas of Saudi Arabia.

The city of "Qal'eh Dizah" is located 10 km from Iranian soil and during the Iran-Iraq war was one of the most sensitive points for the transportation and trafficking of the Iraqi fighting forces.

Reports received from that city indicate that hundreds of the inhabitants have gone on hunger strike in the course of the past two weeks to protest the new policy of the government of Iraq to relocate them. The patriotic union of Iraq has said that one of the reasons for the new policy of Baghdad in this region is the "deep support of the people for the autonomy movement" of Iraqi Kurdistan, and, according to the spokesman of their organization, they have given refuge to the guerrilla fighters of the autonomy movement.

On the other hand, Tehran radio, quoting IRNA, reported this week that the activities of the Kurds opposing the Ba'thist regime in the city of Qal'eh Dizah have always been noted by the regime of Saddam and at the first opportunity after the cease-fire, it engaged in taking revenge on the people of this Kurdish area.

According to Tehran radio, recently an Iraqi military officers club was the target of an armed attack by the patriotic union of Kurds, during which one high-ranking officer and several Iraqi soldiers were killed.

The policy to relocate the Kurds in Iraqi Kurdistan to other areas of that country has been a part of the program of the Ba'thist regime of Iraq for many years. The Ba'thist regime moves the Kurds in the northern part of that country to the southern areas of Iraq at every opportunity to keep them away from the northern mountainous region and to disperse them.

This sad relocation and migration destroys the Iraqi Kurds financially. Since they are used to a cold mountain climate and agriculture and animal husbandry, the government keeps them in the hot climate of southern Iraq, an environment different from what they are used to. Despite all these measures, most relocated Kurds have somehow returned to northern Iraq and the remaining villages and cities. The purpose of the Ba'thist regime's attempt to destroy the city of Qal'eh Dizah is to eliminate the possibility for the Kurds to return to that region.

### **Bandar Imam 30 Percent Dredged**

46000142b Tehran KAYHAN INTERNATIONAL in English 30 Apr 89 p 6

[Text] Ahvaz, Khuzestan Prov, 29 Apr (IRNA)—Dredging operations in Bandar Imam to create the necessary depth for anchoring large ships has reached 50 percent completion, said a port official here Saturday.

He said four dredgers and shipping company involved in the operations, have dredged 2,533,080 cubic meters of waters in Khor Musa Canal and its jetties.

The official said 34 jetties of the port are active large ships anchor in 15 jetties and small ships in the remaining shallow waters, he added. The dredging will enable the port to receive a greater number of large ships.

### **Martyrs Foundation Allocates Millions for Education**

46000142a Tehran KAYHAN INTERNATIONAL in English 30 Apr 89 p 6

[Text] Tehran, 29 Apr (Kayhan Int'l)—Seyyed Ahmad Husseini, the official in charge of International Relations Department of the Martyrs Foundation announced here over the weekend that the council for plan and programs of the cultural affairs of the children of martyrs, POWs and MIAs has allocated Rls. 8b (\$114m) for the children's educational affairs throughout the country.

In addition he said that Hojjatoleslam Mahdi Karubi, the head of the foundation also allotted Rls. 400m (over \$5m) for the same purpose.

## **PAKISTAN**

### **Benazir Allegedly Keeping Tabs on President, Foreign Minister**

46560034b Lahore SIYASI LOG in Urdu 5 May 89 pp 1, 4

[Article: "Benazir Has Established a Spy Ring Around the President and the Foreign Minister Also"]

[Text] Prime Minister Benazir's administration has laid out its spy ring around the president, the foreign minister and various other important personalities. The details of their movements, meetings and talks are being secured through secret means. Concerning this matter, the federal government and its various agencies have become the shelters of conspiracies. The prime minister has appointed a special team which is equipped with all the necessary and sophisticated detective devices. This team keeps watch over President Ghulam Ishaq Khan's visitors as to who met with him at what time. Besides, even the detail of the dialogue during the meeting is obtained through various methods. Recently, the head of the armed forces met with the president. The prime minister's special team has secured all the details of this

meeting including the discussions held at that time. Furthermore, the president's telephone conversations are also being tapped. Prior to this, some unknown elements before the 17 August incident had set a similar spying trap around the late President Ziaul Haq also. His telephone conversations were also tapped. We have learned that based on this action, President Ghulam Ishaq advised one politician that he should neither call him from his own telephone, nor contact the president on his phone number, since his phone calls were being tapped. The president told him that instead of phone calls, he should talk to him through other means of communication. It has also been learned that the foreign minister, Sahabzada Yaqub, too, is being watched. A white car installed with wireless antenna and special devices to overhear long distance conversations continues to patrol outside his residence. Similarly, several other important personalities of the civil and military departments as well are under the fold of Benazir's spy ring. Based on such actions, the entire environment of the Center has become conspiratorial. A climate of distrust and fear continues to spread against each other. The prestige of the official machinery has been badly damaged. The patriotic sectors have appealed to Benazir to abstain from such degrading practices, because they would promote bitterness and unpleasantness between each other's relations. Additionally, complications and conflicts would continue to increase in the affairs of the state.

#### **Benazir-Nawaz Sharif Reconciliation Welcomed, Analyzed**

46560031 Islamabad HURMAT in Urdu  
2-8 Apr 89 pp 16-17

[Column 'Islamabad Diary' by Bashir Sarfi: "Benazir's Dinner"]

[Text] The luncheon that Prime Minister Benazir Bhutto gave in honor of Punjab's chief minister Mian Nawaz Sharif is the greatest political event since the elections and the establishment of a democratic government! Luncheons and receptions are a common practice in political circles; however, keeping in mind the tension between the central government and Punjab, such relationship between these two leaders can have a profound effect on our political atmosphere. Mian Nawaz Sharif's visit to Benazir's lunch table is an important political event under these circumstances and we have to take a closer look at it. Is this event just a chance meeting or is it going to open the doors to the hearts of these two political leaders?

The tension between Pakistan People's Party [PPP] and Islamic Democratic Alliance [IJI] began when the IJI gave the first blow to the political ambitions of the PPP by establishing majority rule in Punjab. It showed that it can bridle loose political powers at least in Punjab. The PPP, instead of bearing the political defeat with courage and bravery, started to put pressure on the Punjab government. There were many sides to this unsavory

deed. PPP's ministers, advisers, and members of the national and provincial assemblies launched attacks against the IJI and Nawaz Sharif. A psychological atmosphere was created by publishing anti-Nawaz Sharif statements in newspapers in order to destroy his government. Many ministers were assigned to break up the IJI coalition and a lot of money was spent in this effort. However, all these efforts were wasted. PPP leaders became busy forecasting the last day of Nawaz Sharif's government. Some gave this government a few days to live, while others said that the Nawaz Sharif government was going to end when the budget discussions began. Government officers were transferred without any reason and speeches attacking Nawaz Sharif were made just to weaken the administrative structure.

The chief minister was indeed facing a grave crisis. The pressure from the central government and problems in his bureaucracy had put him in a difficult position. The PPP kept harping on its great belief in the institution of democracy and the constitution and at the same time could not bear the presence of a democratic government in Punjab. The way Mian Nawaz Sharif has walked the tight rope to keep good relations with the federal government and also managed to follow the political tradition of Punjab during this very difficult period can be called a masterpiece of political strategy in the history of our country.

He remained quiet in response to the tirade carried out against him by PPP's ministers. This silent treatment upset the PPP even more. At the same time he invited Mrs Benazir Bhutto to be the guest of honor at the Lahore fair. This invitation was Mian Sharif's barometer to measure the political courage of his opponents. If he had the impression that the whole drama being staged against him was a post-election reaction, it was gone after this incident. This whole situation was not limited to a couple of wounds; it required a total physical overhaul. The PPP would not have been satisfied with just throwing out the IJI government in Punjab. The real drama would have been played after this. Mian Sharif was more worried about saving the country from a catastrophe than saving his government. The king-making politicians were not concerned about the effects of an undemocratic political change on the people of Punjab. The law and order in the state would have been gravely disturbed if this political change did not have popular support. The total effect on the brand new democracy would have been devastating.

Mr Sharif decided to end this interesting game in the next round. He welcomed Mrs Benazir Bhutto at the Lahore airport to show that he cared about the federal government and the democracy more than anything else. He never let the poisonous statements issued by the PPP to become an ego issue. He wants the elected federal and the provincial governments to work in their own spheres of influence and to not make troubles for each other. Before he went to welcome the prime minister he had won the vote of confidence with great majority in the

House again. Punjab once again had put its fate in the hands of Mian Nawaz Sharif while the few PPP assembly members nursed their wounds. Even the prime minister had become aware of their conspiracy. It was decided at high levels to recognize Mian Nawaz Sharif's political control in Punjab and invite him for lunch. Thus, the prime minister invited Mian Nawaz Sharif to end this 3 month-old conflict and tension in relationship.

It would, however, be premature to expect all the conflicts between the PPP and IJI or between federal and Punjab governments come to an end just because of a lunch invitation. Mian Nawaz Sharif will have to be very careful now and observe PPP's political activities. It would be interesting to note that while he was invited to the prime minister's house, a special team of Pakistan Banking Council had arrived in Lahore to audit his bank account. One the one side talks with Mian Nawaz Sharif included proposals for cooperation and understanding, and on the other side some PPP members insisted on not resting until the IJI government was thrown out.

Mian Nawaz Sharif has to look carefully and find out if the period of hostility and fighting is over or is the PPP just regrouping for the next round.

#### **Appointment of Nusrat Bhutto as Senior Minister Criticized**

46560030a Islamabad HURMAT in Urdu  
2-8 Apr 89 p 5

[Editorial]

[Text] With the induction of 30 new faces including the Pakistan Peoples Party Chairman Begum Nusrat Bhutto as a result of recent expansion and reshuffle in the Federal Cabinet, the total number of the Federal Cabinet has gone up to 43. In addition, an almost equal number of special advisors, security men and other advisors and officers on special duty, particularly to aid the Prime Minister, Mrs Benazir Bhutto, were already on the rolls.

The present federal cabinet is probably the largest cabinet in Pakistan's history and instead of going into detail as to what kind of work Madam Prime Minister intends to get from these ladies and gentlemen, we would like to point out that according to our information, formation of this team of the prime minister, consisting as it does of ministers and officers equivalent to almost 10 cricket teams, has become a matter of joke in national circles in the country. In particular, her appointment of her honorable mother Begum Nusrat Bhutto as senior minister has become a focus of bitter condemnation and controversy all over the country.

Prior to this, when Mr Hakim Ali Zardari was appointed Chairman, Public Accounts Committee, the opposition had strongly objected to this step and his appointment was dismissed as merely patronage to the prime minister's father-in-law. Following this controversial appointment, it was being hoped that the Prime Minister, Mrs

Benazir Bhutto, will henceforth refrain from appointing any of her dear relatives, an action which could hurt her reputation.

To put it mildly, appointment of Nusrat Bhutto as senior minister (who can also be described as deputy prime minister) is a highly regrettable and thoughtless step. No doubt, Begum Nusrat Bhutto, besides being the wife of the former prime minister, late Zulfikar Ali Bhutto, is in her own right a national level politician and a very nice, experienced lady who has seen the world and in this regard, her appointment as senior minister would have been correct and appropriate. However, since she is the mother of the prime minister, it would have been better if she had not been included in the cabinet, in order to save the prime minister from charges of blatant nepotism. In fact it is because of such actions that a government's image in the eyes of the public shines or gets tarnished.

In fact, right from the beginning, some circles in the nation had been expressing fears that once the Pakistan Peoples Party comes to power it will, as in its former administration, make nepotism the cornerstone of its politics and authority, and, now as a result of the prime minister's bestowing patronage on her father-in-law and mother, these fears have been confirmed. At the same time, there is a growing fear among serious circles that this situation may not [as printed] lead to a crisis on the political front. Therefore, we request the Prime Minister, Mrs Benazir Bhutto, to refrain from any such step, since this may lead to a crisis and that it is because of such regrettable incidents of nepotism that a government loses its reputation of integrity and unselfishness and suffers loss of its popularity among the masses.

#### **Sectarian Violence Endangers National Unity**

46560032 Karachi JASARAT in Urdu 10 Apr 89 p 3

[Editorial: "This Bloodshed—How Long"]

[Text] If serious consideration is not given to the causes leading to the recent bloody incidents in Hyderabad the results will be fatal. Various linguistic and racial groups are now moving away from areas of mixed population to places populated mainly by members of their particular group of people. This mentality and tactics suggest that we are now getting disappointed of living together as one nation. This calls for a moment of reflection on the part of the intelligentsia and statesmen. If we are not prepared to live in this country as members of one nation then there is no reason for the country to remain united. The people of the country as a whole are the target of this situation and are directly involved with all hardships and difficulties. The terrorists and subversive elements make good their escape after creating violence and it is the people who become the victims of this violation. Until now the government has not succeeded in bringing the terrorists to justice. The over abundance of weapons has made the life of the citizens miserable. Desperate and rebellious youths make a show of their weapons to the

citizens, but the administration seems to be incapable of challenging and controlling them. Such a situation is intolerable for the citizens. Violence and disturbances have become part of everyday life. People are forced to erect iron gates in their streets and build fortresses around their neighborhoods. But the question is against whom they are taking all these precautionary measures and why is the administration incapable of arresting these enemies?

The people have the right to ask the administration as to how long they should suffer humiliations and as to when the government will take necessary measures to put an end to this lawlessness, when the criminals will be arrested and when the people will once again live in peace and tranquility. Now the people will no longer be satisfied with empty promises. The government will have to go a step further than just making promises and take practical steps. The Sindh province is in the grip of lawlessness, and the situation, instead of becoming better, is taking a turn for the worse. It was expected that after the establishment of a democratic and elected government lawlessness would be brought under control. But this expectation, too, could not be fulfilled. The current democratic government, too, appears to be making no headway in finding the causes of this unrest and lawlessness. In addition, this government's announcement that it is facing difficulties in arresting the masked men and bringing them under control has caused further dismay and disappointment. If the government, despite its resources, is incapable of arresting the masked terrorists and bringing them under control, then who else can. All over the world the government is duty bound to protect the lives and property of the citizens. It is with a sad heart that we have to admit that the murderers in this province are roaming about freely, and the government has failed to arrest and punish them. It is being said that a third party is also involved in bloodshed and destruction. Whose task is it to find and arrest this foreign third party? Can the people be expected to accomplish this task? Isn't it the responsibility of the government to deal with local and foreign enemies and punish them in such a way that it could serve as a lesson to others.

The situation demands that the federal government take immediate steps to help the government of Sindh because the prevailing conditions have proved beyond doubt that the enemies of the state are very powerful and influential and that the foreign elements too are busily engaged in subversive activities. The federal government shouldn't stand aloof, saying that this is merely a provincial affair, but take the initiative in punishing them. As bad luck would have it, the federal government is in its own political brawl and has no time to give any attention on the law and order situation in Sindh. If this situation continues national security could be jeopardized. This could endanger not only the country but the government as well. At this juncture utmost priority should be given to peace and security in the country and all other issues should be given second preference because the innocent citizens are being victimized at the hands of cruel murderers. It is the duty of

central as well as provincial governments to leave all other tasks aside and direct their full attention to this most important issue.

The rulers who vowed to live and die with the people have built around themselves secure protective fortresses and handed over the oppressed and innocent people of Sindh to the inhuman and barbaric assassins. After the genocide of the people in bazaars and highways, the assassination of a government official right inside his own office in Hyderabad while performing his official duties and incidents of killings in the city all point to the fact that the government besides making repeated statements, announcements, visiting the injured in hospitals and sending condolences to the bereaved families, has become incapable of doing anything else. While merciless assassins are equipped with automatic and fatal weapons it is a cruel joke to ask the people to form peace committees. If the government were to follow and pursue the assassins, subversive elements and terrorists then they would no longer be able to slaughter the people so mercilessly. Prime Minister Benazir Bhutto should give top priority to restore peace and tranquility in Sindh above everything else. She should stay in Sindh as long as peace is not restored fully and the assassins are not punished for their evil deeds.

On the other hand it is the duty of all the people in Sindh to rise above their party loyalties and mobilize themselves to protect their cities and province and make their plans so effective that the enemy is rendered helpless. Now there is no other alternative left but for all the people to leave aside their differences and help and protect one another with all sincerity and honesty. If the people do not leave aside their differences even in such hard and difficult times and form a united front against the enemy, no one else will be able to safeguard their safety and survival.

#### **Performance of PPP Government Said 'Disappointing'**

46560033 Karachi JASARAT in Urdu 18 Apr 89 p 3

[Text] Every PPP [Pakistan People's Party] leader, big or small, states that the PPP has inherited all the problems in the country from the previous government. The PPP is holding this inheritance close to its heart. Perhaps, the PPP leaders believe that this inheritance from the previous government is so valuable that they must look after it very carefully. Therefore, the PPP government has been carefully guarding and nourishing bribery, dishonesty, inflation, unemployment, murders and violence, abduction, unrest, and everything that it inherited for the last 4 1/2 months. It would have tried to alleviate these problems if it did not consider these as keepsake. What we see is an increase in crime, especially in Sindh where the PPP has total control. The situation is worsening by the day. The PPP with power in each sphere is making brother fight with brother in order to prolong its rule. They are practicing the policy of increasing prejudice and pitching the provinces against each other. Traitors

have become the government's associates and they have a free hand to propagate against the country. They have appointed the Jews the protectors of Pakistan's welfare and are ignoring the interim government of Afghanistan. The PPP government is starting congenial and friendly relations with India and has freed professional criminals by calling them heroes in the democratic struggle. Persons of good family have lost respect and some of them are being publicly disgraced for having privileges. This government has failed in protecting the life and property of the people.

The PPP has failed in getting a clear numeric majority despite its big promises and other efforts during the last elections. The president, however, decided to let it form the government and the people accepted it for the sake of honoring democracy. They had expected this party to learn from the past and follow a policy that would enhance democracy, protect the people, and decrease unemployment. However, the PPP got busy in repeating its past and began to practice the politics of 'divide and rule' and conspired to destroy its opponents. The situation in Sindh, where this party has the most acceptance, is worse than any where else. There are more murders, robberies, abductions and violence in Sindh than in any other province. No city, town, sub-division, or settlement in this province is safe now. The people are dissatisfied, scared, and harassed and are moving to other places to save their lives and property. The status of peace and harmony can be judged by the fact that residents of rural areas lock their doors early in the evening and patrol the area at night to protect themselves. Under these circumstances, how can we convince the people that democracy is flourishing and the PPP government is working for democracy?

We can make a good assumption about the PPP character by examining the fact that it received votes in the name of the federal government and now it is threatening the very existence of the federal government. This party is making everyone fight with each other in order to prolong its own rule and establish the supremacy of a family. The leaders of this party sit in air-conditioned rooms and make plans while the people are being massacred outside. They beat up their opponents until they are unconscious on a mere suspicion. The PPP has taken the law in its own hands and uses it in any way it wants. Its important ministers argue with police officers and come to blows with them. However, no action is taken against those who have murdered people without any reason. It is very hard to expect the people to bear this lawlessness and insecurity. Fighting is prevalent in Punjab and there are signs of unrest in Baluchistan. There are problems brewing while waiting for the governor's speech in Suba Sarhad. They told us that the next budget will be very difficult. The people are already scared and are suffering from the present inflationary prices. What will happen to them with the new budget? Also, the people have not forgotten the comments of our former rulers about East Pakistan that they wanted Bengal and not the people living there. A similar situation is being

recreated in Sindh. This attitude is not appropriate for the country or our leaders. Traitors are openly making statements about breaking up the country and threatening to renounce their citizenship. The government, however, does not do anything to end such rude behavior. These people are becoming bolder because of this passive attitude.

The government should focus on ending lawlessness, and not its political opponents, if it really wants to establish a democratic government. It must take away all weapons regardless of a person's class or position. It should give exemplary punishments to all criminals and arrest all people who are oppose Pakistan's ideology. It should create an atmosphere of justice and harmony by following all the democratic principles. It should stop the practice of accusation and fault finding. It should try to run the government with understanding and tolerance. The situation will worsen if it continues using conspiracies, craftiness, threats, and cheating in running the government. The PPP leadership has already learned that it cannot pass through this barbed path of government alone. This lawlessness and struggle will block all paths to the country's progress, stability, and establishment of democracy. As long as the government does not rule with a strong will and consistency, impatience and disappointment among the people will continue to increase. There is still some time for the PPP government to review its policies and actions and adopt a policy that helps increase the welfare of our countrymen, establishes peace, and gives Pakistan stability. The people of Pakistan had demanded a democratic government formed after elections based on a multi-party system because they had hoped that such a government would solve their problems. They especially hoped for the end of high prices and unemployment and establishment of peace and protective environment for the citizens. The people, however, are disappointed with PPP's federal and Sindh governments. It is possible that this disappointment changes into rage and results in unpleasant conditions that are inescapable.

#### **Kashmir President Alleges Campaign Underway To Discredit ISI**

46560034c Lahore SIYASI LOG in Urdu 5 May 89 p 2

[Article by Sardar Mohammad Abdul Qayum Khan, president of Azad Jammu and Kashmir: "Behind the Scene Activities of a Campaign To Defame an Agency of the Pakistan Army, the ISI (Inter Services Intelligence)"]

[Excerpt] Currently, the most vital agency of our military, the ISI [Inter Services Intelligence], is very much under discussion. The wonderful thing is that not only the people within the country but outside it also have joined in this discussion. Above all, the country that is our eternal enemy, India, also tops the list of those participating in it. Most people are totally unaware of any concealed or revealing facts relating to this discussion, neither perhaps they might be interested in that. There might be some people, who, being influenced by

false propaganda against this organization, would be forced to think that this agency perhaps plots against the present administration etc. The amazing thing is that even the activities of the campaign against the ISI are not hidden. The unfortunate thing, however, is that there is no reaction against the activities taking place within the country. Some people it seems have a view which is just like the one held by the late Shah Faisal. Just a few days before his martyrdom, the assassin's mother herself had informed him that her son wished to assassinate him. But, he did not believe her, and said that he was his relative, why would he do such a thing. Everyone, however, is aware of what happened.

Such simple-minded people do exist in this country also, who feel that it cannot be possible for the enemy's hand to operate in this campaign against the ISI, when our own people control this agency. Right now it is slightly difficult to fully determine as to after all what is the motive of this campaign against the ISI. If, however, that objective is contrary to the integrity of Pakistan, how can such a thing happen. Nevertheless, this is such a serious and trying matter that if it is not redressed right now, perhaps there might be no time available later on, and God knows what the state of affairs would be. This is a matter which should be noticed not only by the entire nation, but by every responsible patriotic person of the country. Rather, the president should personally take severe actions against it. God forbid, the people might start saying that the president also led the disruption of the country. On the other hand, God forbid, the matter could get out of hand, and then it would be useless to regret it. The PP people might have some compulsion. Perhaps, they have to repay the loan on the value of the power. We are, however, not aware of any such compulsion facing the president. As long as, God forbid, the 8th amendment is not deleted, the responsibility of many significant issues of the country lies on the president alone. It should also not be forgotten that if some people either thoughtlessly or unknowingly but with good intentions have voted for the wrong people, it is inappropriate that all their past and future generations be punished for that. [passage omitted]

#### **Punjab Advised Not To Estrange Relations With Center**

46560034a Lahore NAWA-I-WAQT in Urdu  
22 Apr 89 p 10

[Editorial: "Punjab and T.V."]

[Text] The medias of the Punjab government or the Islamic Democratic Alliance [IJI], under the heat of the provincial rights, issue certain statements which later on become a source of concern for themselves. Such remarks disturb the people as well. An argument of this nature has recently originated with reference to the T.V. Although the Punjab government objects that the central government, while demonstrating partiality on its part, does not grant it its permissible time and importance on the T.V.; on the basis of which, the Punjab government

has also decided to boycott the T.V. for a week, as a reaction to this situation, to contemplate about installing a separate T.V. station in Punjab, or to try to engage in the constitutional proposals etc. In this regard, are actions that negate the national ideology. Leaders like Wali Khan are highly amused over such an attitude of the Punjab government. The fact of the matter is that although the federal government is practicing some excesses against the provincial government of the Punjab, the tradition of the Punjab has always been that it has never addressed itself as a province. It has always sacrificed its own interest for the sake of the most extensive interest of Pakistan. Whatever Pakistan we can witness so far, that is the result of the sacrifices of the Punjab alone. Otherwise, in the North-west Frontier Province there are still remains of the divine servants and the red-uniformed individuals, who opposed the very establishment of Pakistan and always raised a stunt of Pukhtunistan. Similarly, there have been open campaigns of segregation in Sindh also. G. M. Sayed has even asked India for military aid. Some leaders of Sindh even initiated a campaign of confederation to end the federation of Pakistan. The segregationists in Baluchistan raised a dilemma of a grand Baluchistan, and the federation of Pakistan even had to take military action against them. Under such circumstances, the only secret of Pakistan's integrity is that the Punjab has not involved itself in the entanglement of you and me. It has always displayed selflessness to accommodate the smaller and displeased provinces. After the recent elections, the People's Party that won the total majority in the inner Sindh, was offered the central government, so that there would be protection against some fancied dangers. Otherwise, if an IJI [Islamic Democratic Alliance] candidate were elected as the prime minister, it was not at all difficult for the party to attain the majority in the House. But those major problems, to avoid which the People's Party government was recognized, still exist as usual. The situation, however, demands that the hostility against the People's Party should not be extended so far that the people start feeling or the adversaries can accuse the Punjab of being influenced by provincialism. Therefore, what is needed, is that the Punjab government instantly bid farewell to such a behavior. Because, if today it talks about installing its own T.V. station, tomorrow it will think of constructing its own railway line, and then telephone, telegraph office, post office and customs. God knows where this chain will end. We believe that all this is the outcome of merely the stubbornness of two political parties. However, for the protection of Pakistan's oneness, federalism and national unity, it is essential that such a thing that leads to the perception that the Punjab is trying to be outside or above the constitution, should never be uttered during any provocation. Some newspaper reports have attributed the proposal of the T.V. to private institutions. Such private institutions also should not be permitted to promote an ideology that conflicts with the circle of Pakistanism, nor should such an environment be created whereby every high and low person stands up against the federation.

**Punjab Chief Minister on Punjab-Center Relations**

46560030b Islamabad HURMAT in Urdu  
2-8 Apr 89 pp 8-10

[Interview with Punjab Chief Minister Mian Nawaz Sharif by Urusa Alam]

[Excerpts] [HURMAT] How can you strengthen the Islamic Democratic Front in Sindh and Baluchistan. How optimistic are you in this regard?

[SHARIF] In Sindh and Baluchistan, the Islamic Democratic Alliance received a large number of votes. Even though we did not win any seats in Sindh, we got large number of votes. Now I will personally undertake a tour of Sindh and Baluchistan and I am hopeful that the Alliance will emerge as a large force in these provinces. In fact prior to the recent elections, we did not get time to work in these provinces. Now we will mobilize the Muslim League and the Alliance both and we are confident that we ourselves will receive public support.

[HURMAT] The Peoples Works Program is the center's own program. In its presence, how do you view the future of local bodies?

[SHARIF] The local bodies are constituted by people's elected representatives, and the fact is that it is because of these bodies that democracy reaches streets and villages. Now depriving local bodies of their authority or constituting another program similar to these will not be a correct step either from the point of view of success of development plans or in context of promoting democracy. But I am sure that the public will support the local bodies because local bodies have resolved many of their problems.

[HURMAT] In case the Center provides you funds for the labor, how will you accomplish your programs?

[SHARIF] The labor policy that we have announced is for the good of the public and the workers both. The Central Government of the Peoples Party also has similar objectives. Therefore, there is no reason for the Center not to provide us with funds to implement our labor policy. I believe that ultimately the Center will have to provide us funds in accordance with our wishes because this is a right of the provincial government and to deprive the masses of plans which are meant to be for their good, merely in order to grind one's political axe, is not correct.

[HURMAT] Wild interpretations are being placed on your luncheon meetings with the American ambassador here and various rumors are circulated. Would you like to say something regarding this?

[SHARIF] Meetings with ambassadors are part of a political leader's routine. Looking for ulterior motives in this or presenting it in strange colors is trying to make an

ordinary matter into an extraordinary affair. America is Pakistan's friend, and I believe that exchanging ideas, not only with the American ambassador but with ambassadors of all countries friendly to Pakistan, is part of my routine.

[HURMAT] Recently, by welcoming the prime minister at the airport, you took an important and positive step in reducing tensions between Punjab and the Center. In case you do not get a positive response to this initiative, what will be your future course of action?

[SHARIF] Look, we are not responsible for creating tension between the Center and Punjab and even now you will not notice any signs of tension on our part. In fact some advisors and ministers of the Center have not been able to reconcile their hearts with mine and Islamic Democratic Alliance's government in Punjab, and they have needlessly created a conflict. So far as protocol is concerned, I welcomed the prime minister on 25 December 1988. Some of her visits were described as private and for these, no protocol is required. Now she has come on an official visit and I accorded her the welcome that is required by rules. If this helps in reducing the level of confrontation, so much the better.

[HURMAT] Even though the prime minister herself has made conciliatory statements, some of her associates have again started making anti-Punjab statements. What is the background for this campaign. Is this campaign directed against Punjab and its people?

[SHARIF] Now a chapter of understanding and reconciliation appears to be opening up. At this stage, there is no point getting into the controversy whether the attitude of the Peoples Party is against me personally or whether it is against Punjab and its people. What is important is that the people's verdict should be honored and the people's verdict is in favor of me and the Islamic Democratic Alliance and in the background of this decision, political changes should not be introduced in Punjab through resort to conspiracies.

[HURMAT] By once again affirming confidence in you and by spurning money, the IJI [Islamic Democratic Alliance] has given proof of their loyalty to principles. It has taken certain circles by surprise. In your opinion, what are the causes of this wave of lack of principles in Punjab?

[SHARIF] Punjab is Pakistan's largest province and its people give preference to national thinking over provincialism. The people of Punjab have always been sticklers to principles. If some of our leaders have shown an unprincipled stand, this should not be allowed to bring a bad name to the people of the province. Now the atmosphere is such that even if some person wants to resort to being unprincipled in contrast to the masses' loyalty to principles, he will fail.

[HURMAT] At election time, General Mirza Aslam Begh had suggested a coalition government or consensus politics. Won't implementation of consensus politics be better for a democratic system and the country?

[SHARIF] Consensus politics does not mean that political parties should lose their identity. What it really means is that a broad perspective should be adopted on important issues, national thinking instead of narrow thinking. For this we are prepared. However, in my opinion, as far as the question of dissolving political identity is concerned, it has neither been suggested, nor is it possible. But on national affairs, we are at one with every concerned Pakistani regarding consensus politics.

[HURMAT] IJI, of which you are the leader, is based on alliance of several parties. Do you think that this alliance is strong and firm?

[SHARIF] IJI is the first principled and ideological alliance in the political history of Pakistan. Leave aside demagoguery of a few persons, the fact is that there is complete unity and agreement of thinking among the ranks of the Alliance and this alliance is strong as well as firm.

[HURMAT] According to certain circles, as a result of this alliance, your own party, that is, the Muslim League, has relatively receded into the background. Is this your opinion also?

[SHARIF] The Muslim League has not at all receded into the background. The Muslim League is the biggest party of the Alliance and I am the leader of a Muslim League alliance. These remarks are not part of an anti-Alliance propaganda; otherwise, the fact is that the Muslim League has emerged into a party stronger and bigger than before.

[HURMAT] You were very close to the late President Ziaul Haq and in certain respects, you are considered his heir. What was the quality or qualities about him which impressed you?

[SHARIF] President Ziaul Haq was a religious and patriotic leader. He led Pakistan under very difficult conditions. He initiated the practice of gentleman's politics in the country and according to his program, martial law ended in 1985 and democracy was inaugurated. Personally he was a very friendly and pious man. These are the qualities with which I was impressed.

[HURMAT] The case of C 130 has not been resolved so far. What is your personal information regarding this. Was it a foreign conspiracy or was it a punishment for his Afghan Policy?

[SHARIF] So far as the question of C 130's destruction is concerned, one can speak with confidence only after the investigation report is published. But my feeling is that it was definitely a foreign conspiracy and its object

was to involve Pakistan in a crisis at a very critical juncture and doubtlessly some people were upset with the president because of his Afghan Policy and courageous foreign policy. It was in their interest to eliminate President Zia.

[HURMAT] In your capacity as chief minister, you have done exemplary work for the poor and the workers of Punjab. What are the highlights of this work of yours. I mean how did you come to think of this work for the good and welfare of the poor on such a vast scale?

[SHARIF] Whatever I did for the service of the public, I did out of my sense of duty and whatever I do in the future, will also be out of my sense of duty. We are all indebted to this land and that is what I am paying off. All of us feel that Pakistan's workers and farmers are its life and soul. This country was not created so that a handful of people could live off the fat of the land while others continued to sweat it out without any hope of a better life. I have taken a vow with myself that I will eradicate poverty from this country and God willing, that day will dawn in this country when education, health and all other facilities will be available to everybody and nobody will live a life of hardship just because he happened to be born in a poor family.

**Paper on Sino-Soviet Summit Outcome**  
*BK3105150189 Karachi NAWA-I-WAQT*  
*in Urdu 19 May 89 p 9*

[Editorial: "Sino-Soviet Relations—Regional Problems and India's Attitude"]

[Text] Expressing his happiness at the Sino-Soviet summit in Beijing, a Pakistani Foreign Office spokesman has expressed the hope that the summit will help in establishing global peace and in resolving regional problems. The restoration of Sino-Soviet ties and a meeting between the heads of state of the two countries after a long period of time mark a very important event in world politics and are a part of Gorbachev's "glasnost" policy. Even though the two countries are standard-bearers of communism, their bilateral relations have remained considerably strained over the years because of the notable differences in their interpretations of communism and socialism and in their policies on regional and international issues. The Soviet Union's expansionist policy, its indirect and direct interventions in Cambodia and Afghanistan, as well as the bilateral border disputes were some of the reasons that had led to cool Sino-Soviet relations. China's stand had been that the Soviet Union should admit its mistakes, give up its attitude of laying claim on certain border areas of China, and eliminate the danger of a war by removing its forces from the border. Likewise, China had also opposed Soviet interference in Cambodia and Afghanistan.

A few years ago, when the Soviet leader, Gorbachev, deviated from his predecessors' policies and started to change his country's economic, political, and diplomatic

strategy, he felt the need for an improvement in the USSR's relationship with China—where a revision of past policy was also under way and where efforts were being made to heal the wounds left by the Cultural Revolution. This may be because of the impact of China's independent policies or because of its own experience and analysis that the Soviet Union also seems to be striving for establishing a comparatively open society and has begun the process to cancel its past mistakes.

At the end of his visit to China, Soviet leader Gorbachev announced the decision to remove troops from the Chinese border. The Soviet troops have already been withdrawn from Afghanistan, but the [Sino-Soviet] differences on Cambodia could not be resolved. A decision, however, has been made to continue the negotiations at the level of foreign ministers. The restoration of relations between the Soviet Union and China, including their resolve to cooperate with each other in future on the basis of the principles of peaceful coexistence, is in itself a major event; and all this has been possible only by virtue of Gorbachev's moral courage and his acceptance of past mistakes. During his meetings with the Chinese leaders, Gorbachev frankly admitted that tension in bilateral relations was due to the Soviet attitude and actions and that the Soviet Union is now determined not to repeat them in future.

While the Soviet leader has taken initiatives to establish peace by ending differences with the United States; to work for the success of efforts for disarmament; and to establish a cordial relationship with China by ending border disputes; he has, at the same time, also adopted a policy to redress the grievances of the minorities and dissident elements of his own country.

It can now be hoped that the Soviet Union will also review its expansionist policy, and in the light of the experiences it gained in Afghanistan that it would stick to its pronouncement that any infringement on the independence and sovereignty of any other nation poses a threat to world peace.

Beginning its friendship with China, the Soviet Union would have realized the advantages of Beijing's nonexpansionist and peaceful policy. But the Soviet efforts for regional peace will prove fruitful only when India, which is following the footsteps of the USSR, is kept from pursuing its hysteric policy of building and amassing arms and establishing its political, economic, and military hegemony over smaller countries of the region. It is necessary [to curb India—FBIS] because India has been doing all these things only with the encouragement and the arms supplied by the Soviet Union. It cannot be expected of the Indian Brahmin rulers that they, like Gorbachev, will also demonstrate moral courage and express their willingness to correct their mistakes, and pay attention to changing their past attitude so as to establish cordial relations with neighboring countries. But being the patron of India, the Soviet Union can

pressure New Delhi into doing so, even though India will certainly grumble that it was previously groomed to play the role of a mini-superpower; but now, when it is engaged in efforts to have itself recognized as a regional superpower, the Soviet leadership has begun to withdraw their support. Nevertheless, New Delhi will sooner or later realize that the present Soviet policies are beneficial not only for world peace and regional security but also for the Soviet Union and India.

India's expansionist and hegemonistic ambitions are, in fact, a great threat to peace in South Asia, and this has been proved by India's interventions in Sri Lanka and the Maldives. India's recent economic blockade of a Hindu state—Nepal—is a further reflection of its designs.

The reasons for India's tense relations with Pakistan are not hidden from anyone. While the Kashmir issue remains unresolved, New Delhi has now begun efforts to declare the Siachen Glacier region as an integral part of India. Sometimes it proposes that the Siachen region should be declared as a no-man's land, and sometimes it says the region be made a nonmilitary zone. Since this region is Pakistani territory, only Islamabad reserves the right to make it a military or a nonmilitary zone. It is because of India's insincerity that Pakistan's sincere desire and efforts for a cordial relationship with India are not yielding any positive results. If India also learns the lesson that the Soviet leaders have learned—and have been constantly revealing in their statements and actions—from the Afghanistan war, and from their miserable domestic economic condition, and political instability, it could not only end the atmosphere of tension in the region but also enable the member-countries of the South Asian Association for Regional Cooperation to make integrated plans to eradicate backwardness, poverty, and illiteracy. India should pay attention to this for the sake of the prosperity and well-being of its own future generations. When a superpower can realize the implications of its cool relationship with its neighbors and feel no hesitation in openly admitting its excesses, then Indian rulers should also not feel any shame in this regard. They should rather give up their hegemonistic ambitions and expansionist policies to ensure the security and prosperity of the South Asian people and to help solve the regional problems.

**Editorial Urges Early Solution Of Siachen Issue**  
*BK2805095989 Karachi DAWN in English*  
15 May 89 p 7

[Editorial: "Siachen Hot Again"]

[Text] The Siachen issue continues to be an "an unnecessary irritant" in Indo-Pakistan relations, as Prime Minister Benazir Bhutto put it recently. The latest evidence of this is the hotting up of the snowy heights as the Indians continue military activity. Unconfirmed foreign media reports have spoken of heavy casualties on both sides, though Islamabad has merely said that Pakistani

troops took "appropriate defensive and protective measures" to counter the Indian moves. The Indian Army, a Pakistan Foreign Office spokesman said, had attempted to dominate the heights and establish new posts in the Gytong sector of the Siachen glacier. Ever since 1984, when India first began creeping into the sensitive mountainous region, the two countries have fought battles in which the weather rather than the combatants have caused most deaths. In 1987, the Pakistan Army launched Operation Qiyadat, and since then there has been a stalemate which had aroused hopes of progress toward meaningful talks. However, the four rounds of talks at the level of officials—the last one held in September last year—have produced no worthwhile results, aside from maintaining an air of expectancy. The sudden flare-up at this juncture disappoints all those who had hoped for a gradual improvement in relations between the two countries in the wake of the induction of a democratic government in Pakistan and the bonhomie witnessed during the SAARC [South Asian Association for Regional Cooperation] summit at Islamabad last December. Another meeting at the Defence Secretaries' level is to be held soon, but given the history of the two countries' dispute-solving efforts, it would be unrealistic to count on a promising outcome.

The Pakistan Prime Minister's plea that India pull back its troops to the pre-Simla [Agreement] position is eminently reasonable. Her statement, made in an interview

with an Indian news agency, and later repeated at Tokyo, said such a pull-back was essential for New Delhi to "give the lie to those who thought Indian peace pronouncements were merely an exercise in propaganda." India has already rejected the suggestion by insisting that Siachen was Indian territory. This brings us back to square one. Pakistan, obviously, is not going to accept this self-serving argument. If Siachen were Indian, New Delhi would not have woken up some 38 years after independence to send troops to what it now calls its own territory. The fact that the two sides are shooting at each other at what otherwise are absolutely barren, snow-bound heights underlines the need for establishing the veracity of the claims of each side and reaching a settlement. This is not an easy task. But the least the two sides can do is to stop fighting so as to create a better climate for talks. Siachen, of course, is not the only issue that is a source of tension and bitterness between Pakistan and India. But it is the latest—and potentially deadly—element in the complex web of relationships between the two countries. A solution of the Siachen issue may not serve as a turning point in the conflict-ridden relations between the two South Asian neighbours. But it would certainly help reduce tension and provide an impetus to normalisation of relations between the two countries. As Prime Minister Benazir Bhutto put it, for peace in the region and for establishing goodneighbourly relations between Pakistan and India, "it is essential to settle this issue soon."

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